

# NATIONAL MUNICIPAL REVIEW

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## THE LEAGUE'S BUSINESS

**Legislative Use of League Publications.**—The various model laws and recommended principles of the National Municipal League are finding widespread use in pending legislation in various states. Below are summarized some of the principal measures involving our recommendations now pending in current sessions of the state legislatures:

The *Model County Manager Law*, published in August 1930, has already met with great favor in various parts of the country. The whole law was incorporated verbatim in a bill introduced to the Iowa general assembly on March 9 as Senate file 313. A county manager bill embodying our recommended principles has already passed the Senate in Oklahoma. Another bill on county management is pending in Montana. Preparation of such a bill is being considered in Delaware.

The legislature of Missouri has before it a bill based almost entirely upon our *Model Municipal Budget Law*.

Our *Model Election Administration System*, published last September, was the basis for pending laws to reform the election systems in Illinois, Maryland, Pennsylvania and Washington.

Our *Model State Constitution* has been widely distributed throughout Colorado and is being made the basis of agitation for a new constitution in that state. In its report submitted on September 29, 1930, the California Constitutional Commission printed our entire *Model State Constitution* as a supplement to its report.

Legislation which will enable cities to adopt the *manager plan* is now pending in Illinois, Pennsylvania (second and third class cities), Utah, and Washington (second and third class cities). The proposed enabling laws in Pennsylvania include provisions for proportional representation as a part of the manager plan. City manager charters have been presented to the legislatures for Bangor and Brewer, Maine; Pittsfield, Massachusetts; Waterbury and Stamford, Connecticut; and Charleston and Huntington, West Virginia. In each of these our *Model City Charter* was the basis of the legislation. At the present time 134 cities are interested in the manager plan.

A proposed constitutional amendment to provide the *Short Ballot* is now before the legislature of Missouri.

\*

**Getting Them Young.**—We recently received a letter from Paul Schultz of Detroit, Michigan, expressing interest in city management and asking for copies of our publications. In sending him our publications we invited him to become a member of the National Municipal League. This elicited from him the following reply:

Judging from your letter of the 26th, I have discovered that you think I am a citizen, out of college, and over 20. I am 13 years of age and go to an Intermediate School. Sending away for that municipal book was a part of my school work. Being not of age, I hope you will understand, I am not interested in the League although I know that it is very famous and all you have said about it is true.

I know you understand the situation and why I am not interested in the League.

I would like to thank you for giving me the chance to join the League.

Yours respectfully,

(Signed) PAUL SCHULTZ.

"Bring a boy up in the way he should go, etc."

RUSSELL FORBES, *Secretary*.

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## EDITORIAL COMMENT

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The many friends of Professor A. R. Hatton will be deeply grieved to learn of the death of Mrs. Hatton, which occurred on March 8. Mrs. Hatton was the victim of an infection which attacked the white corpuscles of the blood, and with which medical science was unable to cope.

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According to Chester H. Rowell, who is a member of the governor's commission to report upon the advisability of a new state constitution for California, the commission is reporting two proposals. One is the recommendation of an ideal constitution for the state which is none other than the *Model State Constitution* of the National Municipal League. Believing, however, that the *Model Constitution* is in advance of what the people of California will accept, the commission also recommends an alternative document. According to Mr. Rowell, this document is far from ideal, but is "less uncivilized" than the present organic law.

\*

County government is becoming an issue in Michigan. In some counties, it is said, taxes sufficient to meet the minimum expenses of county administration cannot be collected. A resolution proposing an amendment to the constitution providing for county home

rule has been introduced in the legislature, but appears to have little chance for success. Another bill, with better prospects of passage, calls for the appointment of a governor's commission to study county, township and school district government and to report to the legislature in 1933.

\*

According to the Detroit Citizens' League, the people of Detroit did not greatly improve their situation when they recalled Mayor Bowles and chose Mayor Frank Murphy to serve out the fifteen months of the unexpired two-year term. The League confesses disappointment at Mayor Murphy's record thus far. It feels that he has been busier as a political manager than as an administrator. He appears, says the official organ of the League, to have proved more of a political opportunist than a well-biased, courageous executive.

\*

**Municipal Corruption—New York in Particular** In the field of municipal government New York City, despite severe competition elsewhere, remains the nation's bad boy. Tammany, which every thoughtful person knows is no worse or no better than scores of other political machines, remains the country's horrible example. And when its name can be bracketed with a prominent aspirant

for the Presidency, news of corruption in New York municipal affairs is featured even in the agricultural weeklies.

Chicago is probably second in publicity value. But her place in the sun has been earned by an extraordinary amount of violence and racketeering. "Big Bill, the Builder," however, is no liability to the national Republican party, while Tammany, distinctly to be preferred to the Thompson organization, is a heavy handicap to any New York Democrat who yearns to sit in the President's chair.

This is probably inevitable but is nevertheless unfortunate. Tammany is the red herring which can always be drawn across the trail to mislead nascent criticism of municipal government in cities under Republican control. Its availability for this purpose encourages a spirit of party self-righteousness in people who ought to know better. Especially in the East, the moral fervor of such persons is often exhausted in denouncing Tammany; they never get around to inquiring into affairs in up-state municipalities.

New York City government, Heaven knows, is no paragon of virtue or municipal efficiency. Mayor Hylan, who was called "Honest John" by his friends, was not a Tammany man. A hard-working dullard with a low boiling point and no sense of humor, he was succeeded by a shrewder and more sinister politician, after Tammany had convinced the city that any change from Hylan would be an improvement. The sequel was the elimination of Al Smith as a power in Tammany and a series of unsavory disclosures of corruption in the courts and the police department. Through charges brought by the City Club, which shares its president with the National Municipal League, the dis-

trict attorney of New York stands revealed as a woeful incompetent, whose right to continue in office is being thoroughly surveyed.

Now the city is to be investigated by a joint legislative committee. (Up-state Republicans in the legislature supply "The Opposition" in New York's municipal government.) Former Judge Samuel Seabury, who in his investigation of the magistrates courts has established a reputation for thoroughness and fearlessness, will conduct the investigation for the committee. At this writing Mayor Walker has also been confronted by formal charges, transmitted via the governor's office, and his removal has been demanded. Already it is reported that Tammany, to forestall the investigating committee, will begin a limited house cleaning by removing some politically unimportant people in the two or three departments which will probably be the first to receive attention from the legislative inquisitors.

The quality of municipal government in New York City has undoubtedly fallen in the last six years. A thorough investigation is needed. If prosecuted vigorously, it will uncover many unpleasant truths. But if New York City government is made a national issue at the expense of attention to municipal wrong-doing elsewhere, the consequences will be deplorable. This is no time for any political party to assume a holier than thou attitude in municipal matters.

Pittsburgh, inveterately Republican, is awakening to the existence of corrupt administration which has been compared to the graft disclosures which preceded the adoption of her present charter. The Republican party in Chicago has passed through a preposterous primary, unexcelled in the annals of American cities. Proponents of the proposed city manager-propo-

tional representation charter for Philadelphia believe that their city is saved from scandal only by the lack of an organized minority. There is not a single minority member in the city council.

The truth is, as advocates of the nonpartisan ballot have long pointed out, that national political parties have little rational relationship to local affairs. There is no Republican or Democratic type of municipal administration or municipal corruption. Every municipal tub should stand on its own bottom. Surely intelligent leaders of democracy will not be deceived, either by Democratic corruption in New York or Republican racketeering in Chicago, into a false sense of security with respect to their own municipalities.

**Need for Fairness  
in Zoning**

\* \* \* \* \*

Students of zoning will be interested in Professor Tooke's comments in the Judicial Decisions department upon the ruling of the Circuit Court of Appeals in a case involving an amendment to the Los Angeles zoning ordinance which deprived owners of certain unimproved lands of the right to drill for oil. Although no dwelling had been erected within 1100 feet of the tract in question, two of the three judges held that the restriction against drilling (passed after preparations for drilling had been commenced) was reasonable as an incident to the power of guiding the growth of the city and the future development of real estate.

Considering the relative commercial values of oil extraction and residential sites, and remembering the present undeveloped condition of the region, Professor Tooke believes that the ordinance is plainly unreasonable. If appealed to the Supreme Court, he writes, a reversal may be expected.

In this connection our readers will profit by the perusal of an article in the March issue of the *American Bar Association Journal* from the pen of Edward D. Landels, Esq., of Oakland, California. Mr. Landels points out that the reasons which have been used to sustain zoning under the police power are not the true reasons which have moved hundreds of cities to adopt zoning ordinances. In other words, the primary purposes of zoning are not the protection of public health, morals and safety (as the lawyers and the courts repeatedly assert); but the protection of the value and usefulness of urban land, and the assurance of orderliness in city growth and the execution of the city plan.

Most zoning advocates understand the force of Mr. Landels' argument. Those who have had to relate zoning in all its forms to public health, safety and morals have had in many instances a difficult task. Not infrequently have their arguments failed to carry conviction. Sometimes they have seemed flatly dishonest. Fortunately the courts have understood the real objectives of zoning and have read them into the stereotyped phrases about health, safety and morals.

It is doubtless true that the courts would not have approved zoning as a legitimate use of the police power had the arguments for it not been clothed in the old phrases about public health, safety, welfare and morals. But the point Mr. Landels makes is that the time has come for the courts to recognize the real basis of zoning. Zoning can readily become arbitrary and discriminating. It can easily be used to favor particular real estate or business interests. It may foster and perpetuate monopolies. Vague consideration of public welfare will not enable the courts to distinguish between proper and improper zone regu-

lations. The city plan is the true public purpose which zoning serves. Recognition of the economic aspects of zoning, as well as its social considerations, will not affect its constitutionality, believes Mr. Landels.

The moral seems to be: Be honest with the courts and they will be fair to zoning.

\*

**Montreal Metropolitan Commission** Before the establishment of the Montreal Pools Region's Credit Commission, writes

Frederick Wright in the *Montreal Financial Times*, it had been the practice for bankrupt communities to secure annexation to the city of Montreal. Thus the city took over all local debts and commitments and the local councils who had contracted the debts were commended for passing the burden to the other fellow. This was expensive for Montreal citizens and when four more bankrupt municipalities sought annexation, about ten years ago, they discovered that instead of the city absorbing them, they were to be placed under the administration of a metropolitan commission.

This commission, organized in 1921, consists of fifteen members, one of whom represents the province of Quebec. It has power to borrow on the joint security of all the fourteen communities that make up the metropolitan area and to assess debt charges in proportion to the value of taxable property of each municipality. Before a loan can be contracted by any member other than the city of Montreal, the approval of the commission must be secured. Most of the units borrow from the commission itself and thus the credit of the whole area has been pooled under a system of strict financial supervision. In order to secure justice as

between units, the metropolitan commission has power to increase or decrease assessments for tax purposes.

\*

**Three California Cities Considering Adoption of Novel Charters** In the Notes and Events department of this issue, Edwin

A. Cottrell describes the charters pending in San Francisco, Oakland and San Diego, California. They are all departures from standard forms. The San Francisco proposal includes an elected mayor who appoints certain administrative officers including the chief administrative officer. The chief administrative officer in turn has a limited appointing power. He is not a manager in the usual sense of the term and Professor Cottrell considers the charter to be essentially of the strong-mayor type.

The Oakland charter provides for a small council and an elected mayor who will have a cabinet consisting of the manager, assistant manager, controller, engineer and city attorney, all appointed subject to confirmation by the council. The Oakland proposal follows close upon the heels of the council-manager plan adopted last November as an amendment to the present charter. In case the new charter prevails at the polls, it will be necessary to decide whether it or the plan accepted last year will be effective.

In San Diego the voters will pass upon a council manager charter similar to the one defeated in December, 1929. Administrative power is divided between the manager and the mayor.

Professor Cottrell believes that all of these charters are great improvements over the ones they are intended to replace. Because of their novelty, the experience under them will be watched with great interest.

## HEADLINES

Vagrancy charges are placed against all unemployed persons who refuse positions offered them through charity organizations in Wheeling, West Virginia, upon the recommendation of City Manager Beckett.

\* \* \*

"It is a singular occurrence," comment the "Goo-Goos" of Boston, "that oftentimes a contractor would lose one or more contracts even when he was low bidder and yet would receive one or more contracts when he was not the low bidder." Charter requirements are being flagrantly violated in the awarding of contracts, they charge.

\* \* \*

Centralized purchasing will be established in North Carolina under the terms of a bill that has the backing of Governor O. Max Gardner.

\* \* \*

Operation of state-owned transmission lines to carry power developed on the St. Lawrence River, if suitable contracts cannot be negotiated with the utility companies, is advocated by Thomas F. Conway in a minority report of the St. Lawrence Power Development Commission.

\* \* \*

Municipal fire insurance rates are too high, maintains the School of Citizenship and Public Affairs at Syracuse after a survey of the subject. On the basis of facts revealed, the New York Conference of Mayors has filed a petition for lower rates on property owned by cities.

\* \* \*

After struggling along for eighty years without capital punishment, Michigan voters will ballot on April 6 as to whether they wish to reestablish the death penalty. The measure submitted to referendum by the legislature would make death in the electric chair mandatory for convictions of first degree murder.

\* \* \*

Frank J. Donahue of Boston, chairman of the Democratic state committee, has been appointed chairman of the finance board of Fall River, Massachusetts, under a recent act of the legislature which virtually means state control over the city's affairs. In appointing Donahue, the governor said he named him "in spite of the fact" that he was Democratic chairman. Believe it or not.

\* \* \*

Chicago is still suffering from "taxitis" in its most malignant form. All sorts of nostrums have been administered. The latest effort takes the form of a big committee to work out ways and means of eliminating some of the more than 400 local taxing bodies.

\* \* \*

Boston's tax limit is set definitely at \$16 in a bill signed by Governor Ely of Massachusetts in the face of opposition from Mayor Curley.

\* \* \*

Nine and one-half million persons are now living under the city manager form of government, Walter J. Millard, redoubtable field secretary of the National Municipal League and the Proportional Representation League, reports.

A county manager enabling act has passed the Oklahoma senate. The act declares an emergency to exist, and takes effect immediately upon passage and approval. Too bad some other states can't appreciate that an emergency exists in county government!

\* \* \*

A county manager bill based on the *Model County Manager Law* has been introduced in the Iowa legislature.

\* \* \*

Seven suicides is the toll of bad government in Asheville, North Carolina, where the city and county administrations are up against it because their millions were deposited in banks which failed.

\* \* \*

Merger of Forsythe and Stokes Counties, North Carolina, was defeated by a petition signed by a thousand or so Stokes County citizens. Taxpayers of Stokes stood to gain much by the consolidation. Unfortunately, a few officeholders didn't!

\* \* \*

County consolidations are much talked of in these days of high taxes and flat pocketbooks. A vote will be taken early in April to determine whether Campbell and Fulton Counties, Georgia, will merge.

\* \* \*

The state senate of Idaho has adopted a joint resolution providing for a referendum on a constitutional amendment to permit taxation of municipally owned utilities.

\* \* \*

Senator Norris isn't the only man to suffer from the political trick of running two men by the same name. In Detroit John H. Webster, member of the school board for many years, is opposed this year by James A. Webster, a negro.

\* \* \*

Twenty-six persons comprise the "personal service" staff of Mayor Walker of New York, which costs the city of New York, according to the 1931 budget, \$176,960 per year, including the mayor's salary. The staff includes chauffeurs, a confidential stenographer, and two executive stenographers in addition to the usual run of secretaries.

\* \* \*

Unemployment constitutes a "calamity" within the meaning of the Michigan home rule law according to a recent decision of the Michigan Supreme Court upholding the issuance of bonds to provide funds for the relief of unemployment.

\* \* \*

Demand for a sweeping investigation of all supply and food contracts in last six years by the Department of Supplies of Pittsburgh has been made by the Allegheny County League of Women Voters. Trick specifications which permit the insider to bid low on items seldom ordered and high on large quantity orders are reported a feature of the city's purchasing system.

HOWARD P. JONES.

## FLINT'S FIRST SIX MONTHS OF MANAGER GOVERNMENT

BY VIOLA M. BECKER

*The first half-year puts manager government to severe test. City administration greatly improved and politics eliminated from city's business activities.*

As an industrial town, we are a hodge-podge of nationalities. Our situation might easily seem hopeless from a social, educational and political viewpoint, were it not for the presence in our city of some unique features. As a background on which to build a new municipal era, Flint, Michigan, the Vehicle City, is favored with the General Motors Institute of Technology, where young men from all parts of the world are trained in industrial leadership. In connection with our several factories, including the Buick Motor Company, the Chevrolet, the Fisher Body Company, the A C Spark Plug plants and others, we have the Industrial Mutual Association, providing factory workers with clean social life and educational advantages, and presenting the city with a handsome, spacious auditorium where several thousand people may attend concerts by the world's artists.

## OUR FIRST EXPERIENCE

As a manager city, Flint is just six months old at this writing. We have an excellent mayor-manager team. The council is a cross-section of the city at large, and things are happening rapidly.

We were fortunate in the choice of Harvey J. Mallory for mayor, a wealthy man who is running the city's affairs as he would his own, directly and fearlessly, a retired man who is taking a sporting interest in his city's business.

Equally fortunate were we in our choice of John N. Edy for city manager—known to be one of the country's most capable administrators, who left an enviable record for outstanding achievements of seven years in Berkeley, California, and came to Flint by invitation. Mr. Edy is clean-cut and expert. In the first four months of his administration in Flint, he saved the city his salary for six years, and did it without impairing the municipal service one jot. He has put the city on a sound financial basis, inaugurating an economical administration such as our city has not enjoyed for years.

While Flint is said not to have suffered from cutthroat politics as some communities have, yet it is a tough center for a city manager. As the first year in home-making is the crucial year, so is our first year's operation under the new charter.

Our commission is composed of nine men of whom five always, six occasionally and seven infrequently, support the administration on important questions. It is said that when Mayor Mallery met Mr. Edy in Chicago to talk with him about the management of Flint, he assured Mr. Edy of the support in all major issues of policy of seven of the nine commissioners. This support he has seldom enjoyed but five of the group vote with the administration, while four hedge, if not buck, with rumblings of the uglier sort in the immediate foreground.

Every worth while contribution to our future depends upon the attitude of the voters; most of all upon their understanding of what they are receiving at the hands of their public servants. Mr. Edy holds that the charter and manager are not alone on trial; the test depends largely upon the manner in which the public accept the terms of clean, sound, business management.

Our charter is considered generally workable, although more decentralized than many. There are, however, on the commission some former aldermen who have the ward attitude toward their sections of the city. It is considered a serious handicap that other than charter enthusiasts should have been elected to the commission. Some members, not violently opposed to the present scheme, are bickering among themselves and embarrassing the group.

#### THE MANAGER CALLS FOR A SHOW-DOWN

One such moment of embarrassment came up early in the history of our new charter. Nine members were present one evening in the commission chamber, when the manager told of his intention to appoint a new director of purchases and supplies, a man whom he had discovered in an executive position in one of our automobile factories. The supporters of the charter were about to vote on a salary for this individual, when one of the dissenting ex-aldermen stood up to announce that he would not vote for the salary of anyone, unless he knew to whom the position was to be given. In the former régime he had been accustomed to bargaining regarding personnel and salaries, and he could not conceive himself voting for any measure blindly, unless he knew and approved of the appointment. To this Mr. Edy replied that it was his job to select his own personnel, and he would not disclose any individual ap-

pointment in advance. The commissioner held to his point, even getting chesty about it, and thus the battle was on.

The spectators witnessed the new charter balancing in mid-air, and feared that it could not escape collapse. The manager urged the commission to observe the spirit of the charter, but he was plainly worried and not alone in his anxiety. It was a critical situation but the unexpected occurred and the manager won. The objecting commissioner had done some thinking and came out flatly with the supporters of the measure.

#### OLD COUNCIL LEAVES MUCH UNFINISHED BUSINESS

One heartening feature is the presence at the commission's sessions of some of Flint's most representative citizens, who are observing how the charter functions. Lawyers and business men seem to enjoy the discussions and sit through the session however late it is held. In the old days, only the followers of our ward politicians appeared at the meetings, cheering their bosses, right or wrong. The old council, months prior to the passing of their rule, had decided that no new business of any description should be taken up if it could possibly be passed on to the new commission. Consequently a number of projects and problems were pressing for solution at the start. Only one unit of the new sewage disposal plant had been completed, and towns down the river were calling urgently for the erection of the second unit. Our street railway company was operating under a day-to-day arrangement, and demanding changes in the system to their advantage. The city water rates called for readjustment; the construction of an important piece of storm sewer was being held up because the city officials and the owner

could not agree on a price for the right of way; there were unsettled damage claims arising out of the construction of the city reservoir.

Labor problems arose shortly after our manager appeared on the scene. A strike of several thousand men at the Fisher Body plant was well handled by our efficient chief of police, Caesar Scavarda, and the manager. The unrest among the unemployed since the Fisher workers resumed their places at the plant also has called for steady hands at the helm. It has not been possible to provide employment for all who were out of work, but many jobless men have "earned their keep" by working part time on snow removal, extra street cleaning and tidying up along our waterfront. Needed improvements at the water plant have been contracted for, the construction of the second unit of our sewage treatment works has been authorized at a cost of approximately \$479,000.

Politics is no longer a factor in the employment of the working personnel. The manager has established a system of monthly revenue review which tells him whether the receipts are sufficient

to finance the budget. A plan of expenditure control has been set up.

#### OUTSTANDING ACHIEVEMENTS

Our manager has worked out monthly budgetary allotments which may be overdrawn one month, if necessary, but must balance at the end of the fiscal year. Reorganization of the city government as provided by the specifications of the charter, has been effected. Within four months after his arrival, our manager reduced expenditures by more than \$104,000, to conform to a more conservative estimate of revenue.

The department of public welfare, with the assistance of the bureau of social service, has been diligent in investigating reported cases of distress and in giving aid to needy residents. The magnitude of the demand upon this one service of the government may be gathered from these facts: For poor relief city expenditures for 1927-28 were \$82,494; this year they will approximate \$405,000.

While the commission manager government has drafted new rules for the game, it has likewise given us a better set of players.

## HOW THE TELETYPE AIDS NEW JERSEY POLICE WORK

BY LIEUTENANT J. E. MURNANE

*Department of State Police, New Jersey*

New Jersey state police are well pleased with their new teletype system, the effectiveness of which increases as more and more cities and counties tie in with it. :: :: :: :: :: :: :: :: ::

WANTED FOR MURDER.—Terse—stark—ugly—naked—these words may be. But down through the ages from Cain's fratricide to the wholesale gang killings and triangle murders of the present day they have been a cry for justice. Now they appear almost daily, and frequently several times a day, in the alarms of the New Jersey state-wide police teletype system, the latest development in police communication.

Murder, of course, is the most serious of crimes and consequently receives priority and precedence in this modern police communication system. But many other crimes less startling in their titles are sent out daily. Hold-ups and robberies, escapes, burglaries, larcenies, assaults, commercial crimes, stolen cars and property, missing persons; these are some of the headings which appear on the telephone typewriter alarms sent by the Trenton master station and received by all the police departments in the New Jersey state-wide teletype alarm system.

## THE NEED FOR A TELETYPE SYSTEM

Why the establishment of such a communication service for police use?

Speed of communication in police service has not kept pace with the speed of transportation and consequent escape of the criminal. Telephone, telegraph and mail have proven inadequate

for police communication in this fast moving, high speed era. These means of communication are useful perhaps in getting information from one police department to another, but for the spread of information generally to all police departments or to several police departments simultaneously, they are lacking in speed, flexibility and economy.

This police problem has been met in the state of New Jersey by the establishment of the state-wide teletype alarm system. After many months of study by the State Regional Planning Commission, and the State Association of Police Chiefs, an act authorizing a state-wide teletype system was passed in the 1930 session of the New Jersey legislature. By this act the superintendent of state police was authorized to install and operate the basic system and to use members of the department of state police as supervisors and civilian personnel as operators.

Colonel H. Norman Schwarzkopf, with the background of his accomplishment as head of the department of state police and his proven ability as an organizer, tackled this new job with his usual enthusiasm and painstaking analysis and added another achievement to his list.

He made a study of the existing police teletype communication systems in the states of Connecticut and Penn-

sylvania, the county of Westchester in New York state and in the cities of New York and Philadelphia. As a result of his findings and with the coöperation of the New Jersey Bell Telephone Company, who are technically responsible for the installation and maintenance of the machines and wires and from whom the system is rented, the present communication service has evolved.

commonly known, has a keyboard similar to a typewriter. When a letter or number is touched electrical impulses are created which are individual and different for each letter of the alphabet and each numeral or character. These impulses travel with the speed of electricity and cause the receiving telegraph typewriter to type simultaneously with the sending telegraph typewriter. The electrical trans-



BATTERY OR RECEIVING INSTRUMENTS

#### WHAT THE TELETYPE IS

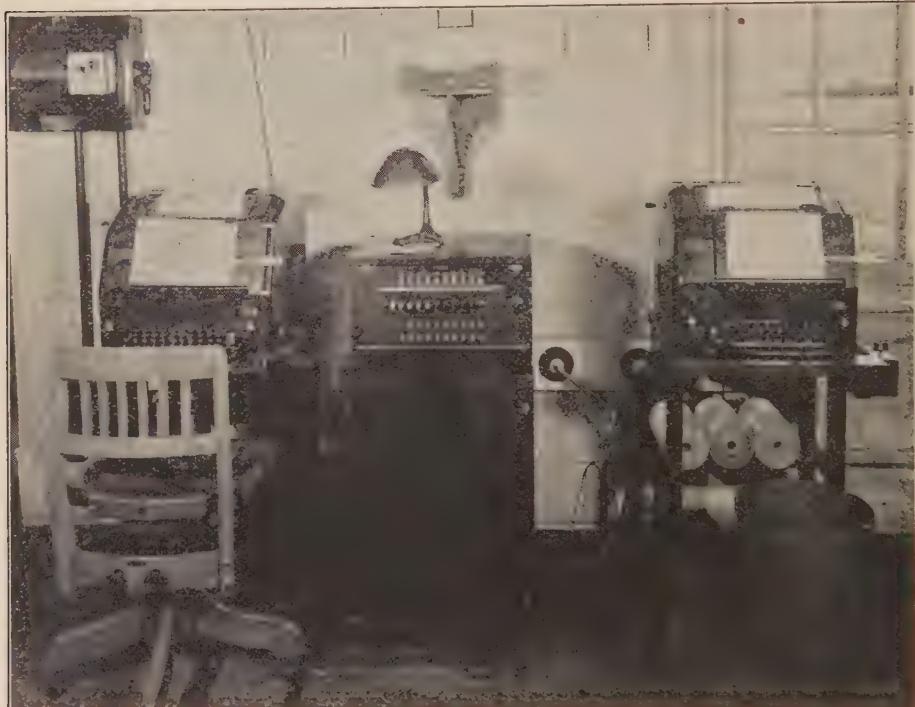
The teletype system as it is commonly known (teletype is a diminutive for telephone typewriter) is technically a typewritten communication service involving transmission by means of telephone typewriter machines and connecting wires so arranged that the operation of one machine simultaneously and identically operates one, a group, or all machines connected to the system whether they be in the same building, within the same city or in different cities. The telephone typewriter or teletype machine, as it is

scription of these letters, numerals and characters, appears in a page type form which is also electrically fed to the machine from a roll of paper specially spooled for use in the machine. We, therefore, find embodied in the telegraph typewriter or teletype machine the speed of the telephone, the flexibility of conversation, the accuracy and legibility of the typewriter and the authority and permanence of the printed word.

The original network of the New Jersey system, opened on October 1, 1930, included all state police stations

and headquarters and receivers from the system in New York City and Philadelphia, a receiver from New York City in the Newark sending station and a receiver from the Pennsylvania system in the master station at Trenton. There have since been added the city of Morristown, nineteen municipalities in Essex County, the city of

hampton is received in Trenton. Trenton also has six receiving stations in the central part of the state as follows: Penns Neck, Hightstown, Lambertville, New Egypt, Columbus and Delanco. At present the county of Mercer and the city of Trenton are studying their local situation with the view of tying in with the state-wide system.



SENDING MACHINES AND SWITCHBOARD

Vineland in Cumberland County and the Essex County prosecutor's office. The system is divided into five zones with a sending station located in each zone. Trenton, Newark, Morristown, Freehold and Hammonton are zone sending stations.

#### THE MASTER STATION

Trenton is the master station and every alarm or message sent out by Newark, Morristown, Freehold or Ham-

The master station can send to each zone sending station individually or to all zone sending stations collectively. Trenton can also, by the operation of a seizure key, take control of every circuit in the state-wide system including receivers of the New Jersey system in New York City and Philadelphia, for the general broadcast of important alarms. A receiving machine from Philadelphia is also located in Trenton and important Philadelphia or Penn-

sylvania messages received on this machine are re-broadcast throughout the state of New Jersey. When Harrisburg operates its seizure key, similar to the one used in Trenton, Trenton receives Pennsylvania broadcasts direct from Harrisburg.

Newark, the key station of the metropolitan area of the state, covers nineteen municipal police stations. Newark is also tied in with New York City and its vast and comprehensive teletype system. Hudson County municipalities are negotiating for receivers at this writing.

The city of Newark with its nine police precincts is planning an internal system which will later hook-up with the state system at the Newark zone sending station.

The Morristown sending station is at present connected with nine state police stations in the northern part of the state, and the Morristown city police department.

The Freehold sending station is now connected with four state police receiving stations in its zone along the Atlantic Coast. The county of Monmouth is contemplating a county system to tie in with the state system at Freehold.

The Hammonton sending station is now connected with nine state police receiving stations in the southern part of the state and also the Vineland Municipal Police Department. The counties of Atlantic and Camden are also contemplating tying in with the system at Hammonton.

#### NEW YORK AND PENNSYLVANIA TIED IN

The city of Philadelphia, which has its own municipal teletype system located in the City Hall with receivers in all of the precincts and bureaus, is also connected with the Hammonton sending station. In addition to this, Philadelphia is a zone sending station in the

Pennsylvania state-wide teletype system, and consequently important New Jersey alarms are transmitted by Philadelphia to its zones. Harrisburg in turn re-broadcasts these alarms to the entire Pennsylvania system, which is comprised of 110 receiving stations located throughout the state of Pennsylvania.

The state of New Jersey lies between two of the largest states in the Union and between the two of the greatest population areas in the country. Just as this fact has increased its police problems, so also the alliance and connection of this trinity of teletype systems makes the New Jersey system a sort of clearing house for the police alarms and police information of the three systems. It has, therefore, been very busy as the following statistics will indicate:

#### TYPE AND CLASSIFICATION OF ALARMS AND MESSAGES IN THE FIRST THREE MONTHS

##### *General Broadcasts*

(Every receiving station in the system, including New York and Philadelphia received these messages)

Murder and manslaughter.....	91
Hold-ups and robberies.....	648
Carnal and sex crimes.....	7
Wanted for escape.....	152
Breaking, entering, larceny and burglary	221
Assault.....	164
Commercial crimes.....	81
Other crimes.....	54
Missing persons.....	1,220
Stolen property.....	279
Stolen cars .....	<u>1,199</u>
Total.....	4,116

##### *Messages*

Miscellaneous.....	580
Information requested and obtained.....	961
Cancellations.....	759
Total.....	6,416

#### MANY USES FOR THE SYSTEM

On the above list will be noted 580 miscellaneous messages. By miscel-

laneous we mean messages between individual police departments in New York, Pennsylvania and New Jersey. These messages are of a police nature concerning apprehensions, extradition papers, warrants, etc. The transmission of these messages by teletype eliminates the use of the telephone, telegraph and mail in many instances, besides adding the factors of speed and economy.

On the above list you will note 961 messages for information requested and obtained. These messages are not police alarms or broadcasts, but are requests for information on automobile registrations, serial and motor numbers, names and addresses of automobile owners, requests for further information on criminal records, finger prints, etc. Information concerning persons who have been apprehended by one police department is exchanged with other police departments who may bring further charges or more serious charges against the criminal if he is wanted for crimes in another police jurisdiction.

Under this classification will also be

found requests for information on the whereabouts or location of a person or persons whose relatives have died or been injured in accidents, so that they may be notified of the death or injury. We recently had a case in which oxygen was needed to save a pneumonia patient. By means of the teletype system, we were able to locate several tanks and a hurried run was made by the New Jersey state police from the Jersey Central Power and Light Company at Belmar, with this life-sustaining necessity. So, in addition to the police service and accomplishment of the teletype, it has also helped the citizens of our state and our neighboring states with many humanitarian services.

Seven hundred and fifty-nine cancellations, of course, indicate the results obtained by the teletype. These cancellations show the apprehension of wanted persons, the location of missing persons and the recovery of stolen cars and property concerning which information was originally broadcast by the teletype.

# THE YEAR 1930 IN THE HISTORY OF VIRGINIA COUNTIES

BY JOHN J. CORSON, 3RD

*Editorial Staff, Richmond News Leader*

*The discovery that the friendly practice of "holding out tax tickets" spelled treasury shortages put county government reform on the first page in Virginia.* :: :: :: :: :: :: :: :: ::

Not long ago Charles A. Beard wrote, "The county methods of transacting business generally are assailed as obsolete, crude and extravagant where not actually and willfully corrupt." How accurately this criticism applied to the governments of Virginia counties on January 1, 1930, may be deduced from a single sentence in the report made in 1927 by the New York Bureau of Municipal Research, *County Government in Virginia*, which reads as follows: "In fact, there is nothing to commend the present form of county government in Virginia." Since this report was rendered, a number of recommendations designed to better county administration have been proposed. None had gained but a modicum of ground prior to the commencement of the year 1930.

## GOVERNOR SECURES CREATION OF STUDY COMMISSION

Auspiciously, however, the year 1930 began with the inauguration on January 15 of John Garland Pollard as governor of Virginia. Probably no man who has ever attained this office has had a more thorough training in the science of government. Starting in public life as a member of the convention which drafted the Virginia constitution of 1901, Governor Pollard has followed and studied this profession in a varied number of rôles.

In his inaugural address Governor Pollard said, "County government is a neglected field in the study of political science. Much more has been written on federal, state and city government, yet I venture to assert that county government is at least equally important." Continuing, Pollard recommended the creation of a commission whose function it would be to draft a general law setting forth optional forms of county government to become effective when approved by the voters of a county at an election held for the purpose. This commission, he said, should be a continuing body "for the purpose of studying comparative county government in Virginia and analyzing and interpreting the statistics now gathered as to the comparative cost of the several functions of government in all the counties."

Although the governor's recommendation met with some opposition from the representatives of the county office-holding clique, the administration forces brought about the enactment of a law authorizing a continuing commission of five members to be appointed by the governor, and appropriating the meager sum of \$3,000 to cover its expenses for the biennium 1930-32.

The tide of Virginia county affairs ebbed and flowed uneventfully during the first half of the year 1930. But with the opening of the second half of that year there began a series of events

which are likely to prove of lasting significance in the history of these local governments. The first was the publication of Wylie Kilpatrick's *Problems in Contemporary County Government* by the Institute for Research at the University of Virginia. Less than two months later a more startling study came from the press.

#### NUMEROUS SHORTAGES DISCLOSED

Attracted by disclosures of shortages in the accounts of four Virginia county treasurers during a period of less than four months from March 23 to July 20, 1930, the present writer sought to uncover their causes. Investigation disclosed that they were only the surface indications of a widespread, cancerous condition.

In short, it was found that during a period of less than four years shortages had been experienced in the offices of ten Virginia counties. The sum total of these shortages amounted to more than \$785,000. And, on September 1, 1930, twelve other Virginia county treasurers were discovered to be short in their accounts. In sixteen other counties treasurers had settled similar deficiencies in their accounts without public notice at one time or another during the past five years.<sup>1</sup>

Actual dishonesty was the cause of only a few of these thirty-eight shortages. None was the result of a mere accounting technicality. Lax and unintelligent financial practices obtaining in the offices of the treasurers and the failure of county boards of supervisors to require settlements as required by law were contributory causes. But the primary cause was the ancient practice of Virginia county treasurers of "holding out the tax tickets."

<sup>1</sup> Virginia County Treasurer Shortages, a series of seven articles published daily in the *Richmond News Leader*, Richmond, Virginia; September 1-9, 1930.

To the uninitiated this phrase, "holding out the tax tickets" is unintelligible, but it is easily explained. County treasurers are public officials who nominally are elected by the vote of the people. Actually they are selected in Virginia by the "court house ring" which manages the affairs in each county. In debt to this group of politicians and to other influential citizens, treasurers have naturally been glad to do them favors. And so when one of them came along with the plea that it was not convenient to pay his last year's taxes before June 15, when a penalty for non-payment is added, but promised to pay later, the accommodating treasurer often received the tax bill, trusting the influential business man or politician to settle later. As a result, the influential citizen escaped the payment of a 5 per cent penalty and interest on his indebtedness.

Too often, however, these influential friends and politicians did not pay when they promised to pay. The annual audit was made before the payment, or the treasurer died with large quantities of received but unpaid tax bills—sometimes five or more years old. The taxes were listed as paid, but no cash had been received for them. Every treasurer expected to get the cash eventually; often he did and settled his indebtedness. But when called upon suddenly to produce it, he did not have it and consequently he was reported short.

After publicly thanking the publishers of the articles which contained these disclosures, Governor Pollard set forth to clean up this condition. By November, all save one Virginia county treasurer had squared his accounts. The one remaining treasurer was subsequently suspended by the governor. When he refused to relinquish his office the matter was taken to the Virginia Supreme Court of Appeals

before which body the case is now ARLINGTON COUNTY ADOPTS MANAGER pending.

#### COUNTY BUDGET LAW NOT ENFORCED

A county budget law, passed in 1926, requires the preparation of annual county budgets, and directs that each county shall file a copy of the budget each year with the state director of the budget. Four years' experience under this law demonstrated it to be a spineless and ineffective measure.

In nine out of ten Virginia counties no county official is qualified to prepare a budget or to control one when in operation. Furthermore, the best qualified official could not now prepare an adequate budget from the meager information provided by faulty accounting systems which make no attempt to provide complete fiscal information, or to classify the expenditures and revenues. In addition, the fee system of reimbursing the county treasurer, county clerk, sheriff, commonwealth attorney, and commissioner of revenue makes almost impossible the budgeting of a large portion of the annual operating expenses.

The net result is: Not more than one out of two Virginia counties obeys the law and files a copy of its annual budget with the state director of the budget. Why? Simply because the officials of these counties do not bother to prepare even the most superficial budget statement. Of the forty or fifty county budgets which are prepared each year not more than ten are usable as tools in controlling the fiscal policy of the county.

The silver lining of the dark cloud of Virginia county government is to be found in the exemplary forms of government obtaining in five Virginia counties. In each of these more progressive counties an official whose position approaches that of a "county manager" is at the head of the county government.

#### ARLINGTON COUNTY ADOPTS MANAGER PLAN

On Tuesday, November 4, the voters of Arlington County voted to make their form of government correspond more closely to the accepted county manager plan. A county board of commissioners elective from the county at large was created in place of the traditional board of supervisors made up of a representative from each magisterial district. To this body was given the duty of appointing a county manager.

The reforms adopted by the first county in Virginia to adopt the manager plan by referendum, as provided by recent statute, did not include the centralization of complete appointive power in the county manager. Constitutional provisions that a number of county officers be elected by the people precluded this possibility. Moreover, fear of centralized authority caused the placing in the hands of the county board of commissioners authority to appoint the heads of several county departments which might better have been lodged in the city manager. Representing, however, a step forward against the marked opposition of the county office-holding group, this approach to a true county manager system marks a real gain in Virginia county government.

#### SO-CALLED MANAGERS IN OTHER COUNTIES

In Augusta County, Fred T. Prufer, executive secretary to the board of supervisors, since 1927 has functioned as a "county manager" by reason of authority granted by the county legislative body. Likewise in Albemarle, Fairfax and Pittsylvania Counties the county boards of supervisors have so strengthened one or another of the county offices as to make its holder virtually a "county manager."

## COUNTY SUPERVISORS ORGANIZE

Finally, on November 14, Roanoke city was the scene of the final significant event in the course of Virginia county governmental history during the year 1930. On that date a meeting was held at which plans were laid for the organization of an association to be entitled the "Association of Virginia County Supervisors."

Organized with the express purpose of bending every effort toward the improvement of county government in Virginia through the interchange of ideas and the coöperation of county officials, this association possesses real possibilities. If in its maturity it is to serve as a clearing house for the exchange of information, as it promises to do in somewhat the same manner as the several state leagues of municipalities, it will justify many times over its cost to the member counties.

## GAINS SUMMARIZED

Starting from scratch on January 1, 1930, county governments in Virginia

gained by the happenings of the succeeding twelve months. An understanding and sympathetic official took office as governor of Virginia. A state commission whose function it is to improve the organization of these governments was created. A substantial amount of accurate, factual data describing the deficiencies of these county governments was made available. Further experience with forms of government approaching the county manager plan suggest models for the rejuvenation of all Virginia counties. One county formally adopted the manager plan by popular vote. And finally, the county officers have joined for the betterment of their administration by the organization of an association designed to make possible the interchange of ideas and coöperation in the improvement of Virginia county government.

At the beginning of the year 1931 the horizon of Virginia county government, lightened by these factors, appears much brighter than a year ago.

# A FINANCIAL DICTATORSHIP FOR FALL RIVER

BY HOWARD G. FISHACK

*Director of the Atlantic City Survey Commission, formerly  
Director of the Fall River Taxpayers' Association*

*This New England city was suddenly faced by financial difficulties which had been accumulating for years while the city government continued its care-free extravagance. By action of the Massachusetts legislature a "creditors' committee" has taken charge. :: :: ::*

CARPET bag government. Czarism. Rule by an "unterrified trinity." These are a few of the phrases vividly applied to the Fall River Finance Bill by Fall River, Massachusetts, citizens speaking in opposition to it at a recent hearing before the legislative committee on municipal finance. The bill, introduced by a group of local bankers in an effort to restore the city's credit and to fund \$3,500,000 temporary loans that the city is unable to meet, is now law. Coupled with the refunding program as a check on future extravagances is a state-appointed board of finance with strong control over the city's future financial transactions.

## CITY DEEP IN FINANCIAL TROUBLES

The immediate cause of such revived interest in its government was a sudden awakening last November to the fact that Fall River was in a most serious financial position. Tax anticipation notes totaling \$2,100,000 due November 4 had not been met and were protested, automatically raising the interest rate to 6 per cent. Later \$300,000 of the defaulted issue was paid with a portion of the city's share of income and corporation taxes received from the state; but on February 1, \$1,800,000 was still outstanding and in addition

\$1,200,000 was to fall due in February and \$1,630,000 in March, making a total of \$4,630,000 to be met.

Obviously there was little prospect of early payment unless the state legislature came to the rescue by providing special financial legislation that would give additional assurance to investors and induce them to loan funds to the city. The situation was so acute in December that the city could not float an \$80,000 emergency loan to finance unusual and unforeseen demands upon the public welfare department. Taxes paid into the treasury after an extended effort to collect them had not been sufficient to meet even operating expenses, and payrolls during a part of the time had been met by week-to-week loans advanced by local banks. Only 59 per cent of the 1930 levy had been paid by January 1, 1931, nearly two months after becoming delinquent, and over \$800,000 or 14 per cent of the 1929 levy was still outstanding a year and two months after the due date.

## PROPOSAL FOR STATE CONTROL

The new finance act has as its primary purpose the funding of the city's defaulted indebtedness but it also provides that control of finances for the next ten years be lodged with a state-appointed board of finance of

three members with broad powers. Authorization is granted by the act to raise \$3,500,000 by issuing ten-year serial bonds to meet present obligations. As additional security for their payment the city is required to pledge a share of income and corporation taxes distributed by the state sufficient to meet interest charges and serial retirements on this issue.

In addition the city may also issue refunding notes not exceeding \$1,000,000 and to be retired on or before July 1, 1933, to cover unpaid taxes for the year 1930. Uncollected balances of the 1930 levy and of prior years are pledged as security and must be held for the retirement of this issue to be disbursed only on the written order of the board of finance. The city is also strictly limited in its payment of future short term loans made in anticipation of future tax levies. The general laws of the state will apply as at present in issuing tax anticipation notes but any balance unpaid seven months after the close of the fiscal year in which issued must be added to the tax levy. This provision will prevent the accumulation of unfunded debt such as toppled the city's weak financial structure last November.

#### THE FINANCE BOARD A "CREDITORS' COMMITTEE"

Still a further check is placed upon Fall River again running wild financially. While the bonds needed to lift the city from its present slump are outstanding complete control of the financial activities of the city will rest with the finance board or "creditors' committee," or three members appointed by the governor of the Commonwealth. The first appointments are for terms of two, four, and six years respectively. All members of the board must be residents of Massachusetts but only one member is re-

quired to be a resident of Fall River. Supervision of all financial affairs shall be under their direct control and no appropriation shall be made and no debt incurred without their written approval or upon their written recommendation. Their power extends over the school committee, the water department, and the state appointed police commission, as well as over the city council and the departments under it.

The board was named by the governor on February 21. Frank J. Donahue, chairman of the Democratic state committee, is chairman; James Jackson, formerly state treasurer, and James A. Burke, Jr., are the other two members. Mr. Burke is the only resident of Fall River. Mr. Donahue lives in Boston and Mr. Jackson in Westwood.

The city treasurer, collector, auditor, and three assessors are to be appointed and removed and their compensation shall be fixed by the board of finance. Abatement of taxes in excess of \$500 must first be approved in writing by the finance body but they in turn hold strong power in rebating taxes and in declaring taxes uncollectable on property held by the city for non-payment. Here again, a seemingly drastic provision has been written into the law, a provision with which many people not familiar with the local situation may disagree. It was prompted doubtlessly by the city carrying as an asset tax titles on a large amount of property that could not be sold today for even a fraction of the back taxes against it. Experts studying the city's condition found \$568,000 in tax titles carried on the city's books, no part of which they considered "realizable."

Originally the bill gave the finance board additional authority which a large number of Fall River citizens, particularly city employees, believed placed in its hands unwarranted quasi-

political powers. Section eight of the original bill (House bill 1131) was strongly opposed because it provided that any employee of the city could be discharged by the finance board regardless of seniority and tenure of office provisions of the state act whenever the city council, the school committee, or the police commission requested such action. Civil service, veterans' preference, and teachers' tenure continued to apply in making appointments and in ordinary removals and the finance board's power was strictly limited to cases where action was requested by proper city authorities. Nevertheless, the provision was viewed with such alarm by strongly organized groups of city workers that proponents of the bill quickly dropped it.

Although jettisoned, the section did have a bearing upon the economic operation of the city and, if Fall River's experience with civil service regulations should be repeated, might have been the means of saving substantial tax sums. During 1925 and 1926 several hundred of the street labor force were placed on a staggered schedule to give three days work to each gang so that all might have employment. In doing so the city failed to give written notice to each laborer and to have him "sign off" any claim to seniority rights. The error cost the city nearly \$100,000 which was required to settle the cases of employees who accepted the reduced working schedule but later prevailed in their claims before the supreme court that seniority rights entitled them to full employment. The tax rate was boosted 50 cents per \$1,000 valuation to meet these claims which were finally settled in 1928. In return the city did not receive one cent's worth of service.

So much for the provisions of the finance act. It is doubtful if the city

will be able to float loans in the future at as low rates of interest as other Massachusetts cities. Probably additional sums will be exacted over a period of years in higher interest and taxpayers not analysing the budget or failing to note the additional charge may never be aware of, or will soon forget that they are still paying the price of political mismangement.

#### THE MORAL FOR OTHER CITIES

There is no purpose in parading Fall River's misfortunes unless the review may incline other communities to take stock of their own municipal affairs. The Fall River situation did not "just happen." Finding the treasury bare and the loans due last November was simply the culmination of a series of unsound financial policies that might have been avoided. Certain facts indicating the trend of the city were definitely known, or could have been easily determined which under other circumstances might have prompted officials and taxpayers to act in drastically reducing city expenditures. Instead, the city continued to spend more freely than ever before. While industrial activity and employment sunk lower and lower, the city tax increased more than \$1,400,000 between 1923 and 1928. Statistics released by the Massachusetts department of labor and industries showed that the value of industrial products and the number of wage earners employed decreased 30 per cent during these years. The city tax, exclusive of state and county taxes, increased 30 per cent during this same period.

The city's inability to pay the added tax burden is indicated in the record of tax collections. Up to 1924 at least 80 per cent of the taxes were collected by the end of the fiscal year. In 1927 collections dropped to 66 per cent and for the year ending December 31,

1930, only 59 per cent of the current levy had been paid. Property held on tax titles for non-payment increased from \$58,827 January 1, 1927, to \$568,816 on January 1, 1931. Little if anything can be realized on these tax titles according to experts examining the city's condition for the bankers' committee. One of the several vacant mill properties held by the city and represented to have a value of not more than \$50,000 had uncollected taxes charged against it of \$205,000. Of \$3,500,000 in uncollected taxes on January 1, 1931, \$900,000 is considered uncollectable by the bankers' committee because of bankruptcy or disappearance of values completely.

#### ASSESSMENTS JUGGLED

The old political trick of juggling assessed values to obtain a low tax rate favorable to the mass of voters and at the same time to cover increased expenditures has been worked in Fall River for years. When the city's industry was at its peak in 1923 the total assessed valuation was \$188,086,000 and had been steadily climbing to this figure from \$129,953,000 during five years of prosperity. In 1924 a decrease was made, the result of court action brought by the mills contesting their valuations of the preceding year. This reduction and the constantly increasing tax levy raised the rate \$3.80 per \$1,000 but the political handicap was speedily adjusted the next year when \$30,000,000 was added to assessed valuations. The tax rate was again "favorable" showing a \$2 reduction and at the same time taking care of a tax increase of nearly \$400,000. In 1926 a further boost to peak valuations of \$214,087,000 was made. Likewise there was a \$500,000 boost in the city's tax.

Since 1926 valuations have been lowered each year and by 1930 totaled

\$149,014,000 a decrease of \$65,000,000 or 30 per cent in four years. Even this drop, in the opinion of experts studying the situation, leaves the city with abnormally high values and forecast an additional \$20,000,000 cut below the 1930 figures when the roll is made up this year.

Practically all reductions made have been on industrial property and were in the main the result of court action brought by the mills or were through compromise forced after gaining court decisions on specific properties. A proper basis for valuing mill properties has been disputed for years and has cost the city over \$100,000 for special counsel fees and well over \$2,000,000 in tax rebates. It is significant that during these years no improvement has been made in the city's hit and miss methods of arriving at valuations. To have undertaken scientific assessing and to have adopted accepted methods of determining values would have pricked the financial bubble and sunk any political party attempting the job. It would have resulted in even higher tax rates than \$38.80 and \$40.80 and would have prevented increased budgets being hidden by inflated valuations. At the same time it might have kept the city off the financial "blacklist" or at least lightened the job it now faces.

Fall River does have a gigantic job before it. Faced with the added burden of debt and interest charges on the refunding loans, with further reductions in its valuations and with a tax rate of \$40 per \$1,000 estimated as the maximum that can be levied under existing conditions the city must cut expenditures \$1,200,000 this year. Fortunately only about one-half of this amount, \$665,000 must be taken from the city's operating expenses, the balance being made up of lower debt charges on bonds now outstanding plus

several non-recurring items that need not be included in 1931. Reductions in operating expenses, however, are by no means light for they mean a  $12\frac{1}{2}$  per cent cut which is four times the reduction that has been made in operating expenses since the city's highest budget in 1927.

The school system is now faced with cutting expenses \$300,000 and to meet this figure is considering eliminating kindergartens, releasing every employee possible under the strict Massachusetts tenure of office laws, and as a last resort cutting salaries of every school employee retained. Other departments must consider similar drastic measures. This unpleasant job falls upon a new administration that took office last January who are now faced with a problem growing out of the indifference of former political administrations to the city's financial condition. The penalty for continued extravagance in the face of extended industrial depression is at last catching up to the city and is adding an additional burden that requires sacrificing municipal activities generally accepted as necessary, or at least desirable, by other cities.

#### EVILS OF LONG STANDING

Opinions vary as to the cause for Fall River's financial condition. Those attempting to excuse past administrations blame the general depression during 1930 and point to other communities reported in difficulty. The depression probably accelerated the evil day but the basic causes are rooted in administrative and political policies that were in practice years before 1930. Political mismanagement and a persistent refusal on the part of officials and citizens to recognize the city's constantly weakening financial position finally brought conditions boldly to attention in November, 1930, and gave Fall River the unenviable distinction of being the first city in the history of Massachusetts to default on its obligations.

How well the board of finance can succeed in bringing the city back to normalcy with the assistance of non-partisan officials now in office and with the newly appointed, but experienced city manager, is of course speculative at this time. Their efforts, however, will be followed with keen interest by students of municipal government and especially by advocates of closer state-wide control of municipal affairs.

# PENNSYLVANIA MOVES TO MODERNIZE ELECTION CODE

BY ALBERT B. MARIS, ESQ.

*Pennsylvania's election machinery is founded on an act passed in 1839. It is obsolete in almost every respect. It is an invitation to fraud, as the records show. :: :: :: :: :: ::*

FOR many years it has been evident that something is wrong with the election machinery in Pennsylvania. The Committee of Seventy in Philadelphia and similar organizations in Pittsburgh and other parts of the state have continually uncovered flagrant cases of election frauds and have made it increasingly evident to our citizens that things are not as they should be.

Feeling that the time was ripe to make a full study and to propose an adequate remedy, the Pennsylvania League of Women Voters last spring called a conference in Harrisburg of all of the organizations interested in clean elections throughout the state. This election law conference met and considered a great many proposals for the improvement of the election laws. It recognized that the human element is all-important and that without honest and intelligent officials no law can be enforced; but at the same time it found that the Pennsylvania election machinery, founded as it is on an act passed July 2, 1839, is archaic and in a very much confused state. The conference, therefore, decided that the proper thing to do was to prepare and present to the present legislature a complete revision of the election laws—in other words, a modern election code. This code has been prepared and introduced into both houses of the legislature. It has received the endorsement of the governor. It completely revises all the laws relat-

ing to primaries and elections, the registration of voters, campaign expenses and election contests, and repeals over two hundred acts passed between the years 1788 and 1929.

## CODE PROVIDES COÖRDINATED MACHINERY

The code provides for the first time a unified and coördinated election administration in each county. Practically everywhere throughout the United States registration, primaries and elections are all handled by the same county office. This has never been so in Pennsylvania, however. Part of the job has been handled by the county commissioners—another part by the courts; the prothonotary and the clerk of the court of quarter sessions also take part, while justices of the peace and locally-elected election officers and assessors perform other parts of the job almost independently of any supervision. In Philadelphia, Pittsburgh and Scranton an entirely separate body, the registration commission, handles registration, but nothing else. This method has inevitably resulted in a lack of coördination and in many cases even of coöperation. It has also made inevitable a large duplication of overhead cost and of payroll and other expense. The cost of registration and elections is, I am reliably informed, higher today in Pennsylvania than in any other state in the Union.

The Election Code, on the other hand, puts the entire job of supervising registration, primaries and elections in the hands of a county board of elections in each county. The county commissioners, who at present handle a considerable part of the election work in addition to their other duties, are in the counties having less than 150,000 population required to act as the county board of elections of the county ex officio. In the larger counties outside of Philadelphia, however, the duties and responsibilities of the county commissioners as the executive and legislative body of the county are very great and their duties as to elections are only a side activity with them. Furthermore, as elected officers they are inevitably tied up in the factional politics of the county, so that it is difficult for them to be impartial in supervising elections. The code, therefore, relieves them of all responsibility for elections in the larger counties and provides that in these counties the county boards of elections shall consist of four members to be appointed by the governor, not more than two being of the same political party. This is the present method of appointing the registration commissions in Philadelphia, Pittsburgh and Scranton, and it has worked well over a period of twenty-five years.

Placing these appointments in the hands of the governor has been criticized in some quarters as giving him too much power. These critics, however, have overlooked the fact that he must appoint two members of the opposite party in each case and that all of his appointments must be confirmed by the state senate. This would seem to be a sufficient safeguard against arbitrary or factional appointments. Furthermore, it means that elections will be supervised by representatives of both parties who have been appointed

by an authority outside the county, and who can, therefore, act more impartially because not directly beholden to the leading faction of their county.

#### STATE SUPERVISION

In order to provide a supervisory authority over the county boards of elections the secretary of the commonwealth, who at present has the state bureau of elections in his office, is made chief state election officer responsible to see that the county boards and local officers observed the provisions of the code. The code gives him power (a) with the approval of the governor and the attorney general to issue rules and regulations supplementing the provisions of the act; (b) to instruct county boards in their duties; (c) to receive and compute the returns of state and national elections; and (d) to investigate the administration of the act and frauds and irregularities and to report violations to the attorney general or district attorney for prosecution.

In order to carry out the responsibilities imposed upon them the county boards of elections are given power (a) to investigate and report to the court of quarter sessions on all petitions filed for the division of election districts; (b) to select polling places; (c) to purchase and maintain voting machines, ballot boxes and all other equipment; (d) to appoint registrars and fill vacancies in the offices of election officers; (e) to instruct registrars and election officers in their duties, calling them together whenever necessary; (f) to receive the returns of primaries and elections and to make the official count, and (g) to inspect systematically and thoroughly the conduct of registration, primaries and elections in the several election districts of the county to the end that registration, primaries and elections may be honestly, efficiently

and uniformly conducted. The county boards are also required to investigate election frauds and to report any suspicious cases to the district attorney for prosecution.

#### PERMANENT REGISTRATION

Another fundamental change which the code makes is to provide for permanent personal registration of voters throughout the state. Here, again, Pennsylvania is only following the experience of her sister states, for at the present time more than half of the states in the Union use permanent registration, and sixteen of them use it throughout the state. Permanent registration will make for a cleaner and more inclusive registration list and will encourage voting by eliminating the burden of an annual personal registration in cities. It will also result in a very considerable saving of money. In the country districts it will make impossible the disfranchisement of voters which now occurs many times when the names of qualified voters are left off the assessors' lists, either by the negligence of registry assessors or copying clerks.

Under this system a voter must register personally and may do so at any time throughout the year except immediately before a primary or election. Once registered, a voter remains on the list so long as he lives in the district, unless he fails to vote at least once in four years. Adequate safeguards are provided, in that deaths are reported by the registrars of vital statistics, public utility companies report discontinuance of service and mail check-ups and personal canvassing of districts are provided for. Printed street lists are also provided. Another essential safeguard is the requirement that at the time of voting each voter must sign his name on a small card called a voter's certificate, the signa-

ture on which is compared with his signature on his registration record. Special safeguards apply to voters who cannot write. The voters' certificates are placed in a file by the election officers, constituting the list of voters at the election, and are returned to the county board of elections with the other papers. Under this system, fraudulent voting will involve forgery—a difficult and very serious crime.

A further safeguard in the act is the provision for the mandatory appointment of a district auditor for each election district in which voting machines are used and for the optional appointment of such officers in other districts. This office is necessary because in Pennsylvania the constitution requires district election officers to be elected by the voters of each election district. The district auditors are required to supervise the proceedings of the election officers and to observe and audit the count of the ballots or canvass of the voting machine. They are further required to make an independent report to the county board and as soon as the count is completed to telephone the results to the office of the county board which is required to be kept open for this purpose. The returns so received are to be made available for the information of the press and the public.

At present the polls are required to be kept open from 7 A. M. to 7 P. M. The code extends the closing hour to 9 P. M. giving additional time in the evening for the accommodation of the voters and making possible the polling of a larger number of votes on a single voting machine.

#### ASSISTANCE CONTROLLED

The code also limits assistance to voters in three ways, which it is believed will eliminate the very flagrant abuses which have occurred in the

past under the guise of assistance. In the first place, assistance is only to be given to persons having an actual physical disability. Assistance will no longer be given to those who say they cannot read. Secondly, persons desiring assistance must so declare at the time of registration, stating at that time their exact disability. Finally, assistance may only be given by members of the family or of the household in which a voter resides or by two election officers.

The city charter of Philadelphia prohibits political activity by city employees. The code extends this provision so as to apply to all appointed public officeholders and employees throughout the state.

#### CAMPAIGN EXPENSES REGULATED

The bill also regulates campaign expenditures, not only restricting their character, but also limiting their total amount. In addition, it prohibits, under penalty of dismissal, the solicitation or payment of political contributions by any appointed public officeholder or employee. The principal restriction on the character of expenditures is the provision that watchers may no longer be paid, and it is also provided that public officeholders may not serve as watchers. The total limit on campaign expenditures is

placed at 5 cents per party voter for each candidate at primaries and  $2\frac{1}{2}$  cents per registered voter for each candidate at elections. Expenditures made by committees in behalf of candidates are to be added to their personal expenditures in order to ascertain whether they have exceeded these limits.

The code puts teeth in these provisions by requiring the secretary of the commonwealth and the various county boards of elections to examine and investigate all expense accounts filed by candidates, and committees to ascertain whether illegal or excessive expenditures have been made, and if it appears that they have been, the attorney-general is required to bring *quo warranto* proceedings to oust the candidate from nomination or office.

The provisions of the Voting Machine Law of 1929, with certain improvements which experience has dictated, are incorporated bodily into the new code, which also contains a large number of other improvements and which irons out innumerable matters of confusion and conflict in the existing laws. If enacted, it is believed that it will effect a very substantial saving to the taxpayers and will give to the state of Pennsylvania a modern system of election machinery reasonably adapted to the needs of our time.

# STREET RAILWAYS IN FOREIGN CITIES

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*A concise survey of the street railway situation in Canada and Europe.*

THE purpose of this paper is: (1) to outline the control of street railways abroad; (2) to indicate the extent of public and private ownership and operation; (3) to describe the policies of financing construction and extensions and the methods of handling deficits and surplus; (4) to discuss the policy with regard to buses and (5) finally to draw comparisons with the conditions in the United States.

Attention will be directed largely to Canada and to the countries of Western Europe excluding Spain but including Germany, Austria, Switzerland and Italy. The conditions in England, Germany and France will be dealt with in some respects in a more detailed way than those in the other countries of this group.<sup>1</sup>

## CONTROL

As is well known there is a larger measure of centralized control and supervision over local government on the part of the national authority in many foreign countries than with us. This observation applies not alone in general but also to utility franchises and changes in franchises. These are approved by special acts of parliament or granted under a general law, but in the latter case the franchise must be sanctioned by the ministers of the interior, public works and finance (France) or the minister of transport

(England and Scotland). The central government of Japan also exercises a measure of supervision over the organization and operation of the utilities. In Canada a federal board has limited authority over about one-third of the companies, while provincial boards function with respect to the others. In most cases such control has to do largely with the approval of extensions, particularly from the standpoint of safety.

The franchises in Belgium are granted by the cities concerned under the authority of a general law.

The control of the central government includes the sanction of the enterprise as a public utility, but it may also cover such details as fares, service conditions, salaries of personnel and the like. Accounting methods as well as policies of providing for sinking funds, retirements and reserves are sometimes prescribed. Finally, the state itself may subsidize the construction of undertakings, both those under public and private auspices.

Supervision over the execution of the terms of the contract is vested in the authority granting the franchise in the first instance, although this may be deputed to a representative of the central government as, for instance, in France to the prefect of the department in which the street railway is located, and in England to the minister of transport. But appeal may always be taken to the higher authority or some representative of it. This applies also to rate changes, service conditions,

<sup>1</sup> A part of the material for this survey was secured through the coöperation of foreign service representatives of the U. S. Government in nine countries and the city of Danzig.

financing new projects and the like, in so far as such changes are not covered by provisions in the basic franchises or concessions.

It seems, therefore, to be universally accepted that street railways are a public utility and, as such, subject to governmental control and supervision when privately-owned; and even when publicly-owned and operated, they are not given an entirely free hand in certain countries, viz., England, Scotland, and France.

#### PUBLIC AND PRIVATE OPERATION

Public operation is more generally accepted abroad than with us. It may be considered the characteristic method of handling the street car service in England, Scotland, Germany, Norway, Sweden and Japan. In Switzerland, Portugal and Canada many systems are owned and operated by the cities, some in France and all in Italy and the Netherlands.

The conditions in Germany, England and France may be of special interest because of recent developments, particularly as regards the so-called "mixed companies." They will be considered in the following paragraphs.

More recently France has adopted the policy of private operation but with close financial coöperation on the part of the municipal authorities. This approaches a partnership relationship, such as is rarely met with in cities in the United States. What steps will be taken in France in the next ten or fifteen years when many franchises expire cannot, of course, be forecast. It may be pointed out that the customary franchise provides either that the city automatically comes into possession at the expiration of the franchise or that it may purchase at specified periods. The imminence of the expiration of the franchise and the consequent uncertainty as to the future is advanced as

one reason for the lack of progressive management in several French cities.

In France a not uncommon method is that of the *regie intéressée*, i.e., governmental participation. In its simplest form it results in government ownership of the lines and private equipment and operation with the possible provision that the city guarantee a minimum profit to the company with or without a provision for sharing in surpluses. Under the terms of the lease regular payments must be made to the city to cover interest and amortization charges.

Another form of coöperation between public and private interests appears in the "mixed company."

This form of organization was expedited by the financial stringency during and following the war when municipalities, particularly those in Germany and France, found themselves in credit difficulties. The mixed company is defined as "any economic undertaking under general law in which the public and private organisms jointly share in the capital and exercise the administration."<sup>1</sup> The purpose of this set-up is to secure needed capital and to ensure the application of commercial principles and enterprise on the one hand and to reduce, if not to eliminate, the inefficiencies that may accompany bureaucratic and political administration as well as the exploitative tendencies of bankers and entrepreneurs on the other. It has been hailed by some as a happy solution of the problems of utility control while others judge it to be but a transitory makeshift due to the unfavorable conditions on the credit market. This latter position finds support in the fact that this type of organization has been more generally adopted in Germany than elsewhere, in which country financial strin-

<sup>1</sup> *Municipal Review* (London), October 1930, p. 389.

gancy has been particularly distressing. According to a recent report before the International Union of Local Authorities (July 1930, Antwerp), there were in 1920, 377 instances of such companies in 159 German towns and cities. These covered all types of enterprise. The data from Prussia show that fifty-nine or about one-fifth of the street railway companies are organized as mixed undertakings.

The mixed company is, however, by no means a recent development as instances are to be found in England, Belgium, Switzerland and Germany from the end of the nineteenth century to the present date. In recent years France, Holland, Hungary, Finland, Greece and Czechoslovakia have on occasion turned to this type of organization.

Numerous advantages are to be listed for this combination of private and public capital and enterprise. Entirely apart from the financial advantages that are more or less obvious, the following are noteworthy:

- (a) Utilization of the best economic and industrial experience.
- (b) Independence of legal and administrative restrictions.
- (c) Progressiveness in dealing with new projects and business problems and readily adjusting policies to changing conditions.
- (d) Increase of sense of responsibility on the part of managers and staff.
- (e) Possibility of making extensions beyond boundaries of district and coöperating with other communes.

As was pointed out above, the cities frequently contribute over one-half of the capital and thus assure for themselves a controlling influence on the policies of the company. Although

sharing in the surplus their representatives are naturally interested in maintaining as low rates as are consistent with sound business considerations.

In spite of some dissenting voices the majority opinion is favorable to and sanguine of the future possibilities of the mixed company, particularly in connection with those enterprises which are of an intercommunal character.

The influential *Deutsche Staedtetag*, an association of the municipal authorities in Germany, looks with more favor on the separate management of public utilities under a private corporation with or without limited liability, but financed and controlled entirely by the municipality. By this method the cumbrousness at times attendant upon direct administration under the local council is avoided and technical and business principles are more readily observed. Parenthetically it may be noted that in the trying years after the war when adjustments of policies and fares and considerable flexibility in handling the budget were more or less mandatory, the cumbrousness of control by the magistracy and councilmanic committees was particularly marked.

Private companies of the type described are here and there operating the street railways. There are those who are convinced that this is the best possible type of organization. The city of Berlin offers an excellent illustration of private company organization. Owning one of the several systems it gradually bought up a majority of the stock of the others so that it now controls the whole of the transportation system including the buses and rapid transit. What is more a system of universal transfers has been introduced whereby a passenger may make a single transfer from one system to the other. This enables him to

travel up to a maximum of 22 miles for a five-cent fare. The original stock companies are continued although the systems are coördinated under a commission consisting of sixteen members made up of eight members of the board of aldermen, four representing the city administration, two distinguished citizens acquainted with transportation matters and two employees of the operating companies.

The complete figures from *Germany* as of 1925-26 show that in a total of one hundred and forty-nine systems, one hundred and ten were operated under the auspices of the local government, thirty-five under a purely private company and four through a combination. Of the one hundred and ten, however, only sixty were actually operated as a regular governmental function for twenty-six were managed indirectly, *i.e.*, through the organization of a private company incorporated by the city for this purpose and serving as the agency of the city, while twenty-four others were being administered through a mixed company, also incorporated under the private law but financed and controlled by the teaming up of public and private interests. In the majority of this last group, the cities concerned owned 51 per cent or more of the stock of a company and thus are assured a dominating influence over managerial policies.

In *England* the important tramway systems are for the most part municipally operated. The number of cities operating their own lines was one hundred sixty-seven in 1927 with a single track mileage of 3,249 while private companies controlled 66 lines with a mileage of 1,052. This marks a reduction of 28 private lines in the space of 14 years. In this same year, *i.e.*, 1927, the capital investment was 84 million pounds in municipal companies and 19 million in private.

Although the municipalities uniformly have the right to take over the street railway systems at the expiration of the franchises of privately owned companies—nearly always with compensation to the latter—it is only in Switzerland that the tendency to take advantage of this right appears to prevail. As has already been pointed out, however, there has been a gradual diminution of those systems under the control of private companies in England. This is also true of Germany.

On the whole there is no such sharp conflict of opinion abroad regarding the matter of public and private ownership and operation of street car companies as in this country. This is due to the historical development covering a relatively long period of time and also to the fact that the public has enlisted the services of experienced business men of a high type on the committees of the common council, as in England, or to the fact that the public servants to whom, at least until recently, the administration of municipal affairs has been entrusted, have maintained high professional standards, as in Germany.

This statement does not imply that a line is not drawn between public and private advocates. But the issue is not so definitely raised with regard to the street car systems, some of which have long been under public control, as to other utilities or near-utilities. It is a matter of common knowledge that the Labor party in England and the Social Democrats in Germany and other countries would "municipalize" a large number of services. It is this general tendency that has called forth an influential and widespread opposition, but this does not direct itself so much against the well-established municipal utilities as against an extension to new enterprises.

## FINANCING

The most crucial aspect of control has to do with financing and its relation to rates. The guiding principle here seems to be that the utility is to be managed as a public service and not as a profit-making enterprise. In the case of private management the company is then the agent of the city or it may be in actual partnership with it. Under any circumstances its rewards are to be looked upon as interest on the investment rather than as profit, although some franchises provide a kind of premium for efficient and progressive service.

The partnership principle appears when, as in certain French cities, the municipality grants subventions for construction or advances funds to make up deficits to secure a reasonable return. It may share in the surplus beyond an agreed-upon figure at the end of the franchise. This principle appears in an entirely different form as the method of organization in the so-called "mixed companies."

As might be expected where a city makes up the deficit and the terms of the contract do not offer a special incentive for improvements of service and operating efficiency, the private companies lose interest in such improvements even though it is understood that the accumulated deficits are to be repaid when the franchise expires or in case of purchase by the city. This happens particularly when the company has no influence on rate changes. Marseilles is cited as an example<sup>1</sup> of a company which regularly operates on a deficit because of lack of adjustment in fares. This deficiency is shouldered by the city and, therefore, there is no risk to the company. The latter seems to have no particular interest in a possible surplus.

<sup>1</sup> Dr. René Roy in *Revue Municipale*, October, 1927.

Efforts have of course been made to correct such conditions. Dr. Roy, an expert in these matters, refers most approvingly to the new contract between the city of Nancy and the management holding the street railway concession in that city. This is an illustration of a *regie intéressée*. The basis of the contract is that the budget shall be balanced each year by means of an adjustment of fares. The contract consists of a number of precise provisions among which the following, coming under the heading of expense, are of special interest:

1. Administrative expense—2 per cent of total receipts of urban lines.
2. Renewals and repairs—5 per cent with a normal maximum of 400,000 fr.
3. New construction—5 per cent.
4. Fixed annuity to cover fixed charges on capital on the 1913 basis.
5. Premium for economy of operation to be calculated by reference to 1913 conditions as to number of kilometers covered, improvements in rails, materials, etc.
6. Interest charges and provisions for sinking fund to amortize loans from city.

In case the reserve amounting to 1.2 million francs sinks to 300,000 fr. fares are to be raised and services may be curtailed. On the other hand, if surplus in 2 consecutive periods exceeds 300,000 fr. the city reserves the right to determine the method of using the excess amount, especially with the possibility of lowering fares. At the end of the franchise the surplus is to be equally divided between the city and the company.

The contract aims to balance the budget, limit profits, improve and ex-

tend service and keep fares at a minimum consistent with the above aims.

So far as is known to Dr. Roy, who has written extensively on the French situation, this is the most carefully planned method of bringing about an arrangement which aims to keep fares at a minimum and still to supply an incentive for efficient and progressive management.

It may be pointed out in passing that the Japanese government guarantees the private lines a profit of 7 per cent. Whether there are collateral provisions for control, extension of service, etc., was not reported in the source used.

An exception must be made to the above statement that profits beyond a fair return on the investment together with some financial recognition of efficient management is inconsistent with principle of public utility management. This does not hold when the utility is operated by the municipality which may use its excess profits for the purpose of reducing tax rates and contributing to the public welfare.

In Germany the ratio of the amounts paid by the public utilities and the total paid into the city treasury, including, of course, the revenues raised by taxation, was one to five in forty-three of seventy cities before the war and in the year 1926-27 it was generally one to seven, *i.e.*, the utilities contributed 11 marks of a total payment of 76.3 marks per capita.

As for England, it was recently reported that the tramways in the cities had made a net direct contribution of 1,214,000 pounds during the past six years to the reduction of taxes in the areas of operation. This is an average of about \$1,000,000 per year. In addition, the total payments for the same period in the form of rates (local taxes) and taxes combined were nearly 6,000,000 pounds or \$5,000,000 per year. Finally permanent way maintenance—usually meaning the paving or upkeep

of a 16-foot roadway—cost the tramway systems 9,658,000 pounds for the six years covered. This is looked upon in part as a public contribution.

The above contributions were made possible not through a system of high fares because the fares are not out of line with those charged on private lines. They are uniformly much lower than in this country.

In support of this observation, reference may well be made to a most comprehensive report prepared in 1924 by a committee of the Electric Railway Association which visited a number of European cities for purposes of observation and comparison. The following flat fares are reported as typical: Berlin, 5 cents; Amsterdam, 4; Milan, 2½; Rome, 2½; Paris (rapid transit), 2.4 cents for second, 4 cents for first class; London, 1 cent for 1.2 miles, 4 cents for 2.4 miles, 6 for 3.6 miles and 8 for 4.8 miles. With the exception of German cities, transfers are not allowed on most systems.<sup>1</sup>

The London schedule is typical in that a large number of cities have adopted a zone system (*i.e.*, 25 of 47 tram roads investigated). In addition most cities sell special workman's tickets at a marked reduction. School commutation tickets are also generally sold at lower rates. Finally season tickets are quite customary running for a week, a month, a quarter and even, as in Zürich, for a year. In order to stimulate travel in non-rush hours, special rates are offered in certain English cities between the hours of ten and five.

The committee explains the dis-

<sup>1</sup> *Electric Railway Journal*, December 10, 1927. Recent returns from nine countries—exclusive of Germany and England—show that in 1931 the fares for a continuous ride of average distance were four cents or less in seven countries while they were 5.1 cents in Norway, 5.6 cents in Danzig and 4.5 cents in Vienna.

crepancy between the fare levels in European and American cities as due to four major causes: lower wage scales for the personnel, the absence of a transfer system, density of population and a lower average distance ridden per passenger—one mile in Europe and three in the United States.

Turning finally to the financial conditions of the foreign systems, the returns indicate that they are in "good" condition except in Portugal and Italy, where they are only "fair," and in France, where they are said to be "poor."

An analysis was made of the annual reports of a number of British cities. They show that in spite of the post-war deflation, the present depression and the competition with buses, the municipal companies are weathering adverse conditions with success. There has been a gratifying increase of the number of revenue passengers carried while the ratio between gross revenues and operating expenses has been improving. Payments on carrying charges and allotments to sinking funds have been maintained.

On the whole—and this applies to both public and private companies in Canada and Europe, with the exception of France—there has been no such severe general depression period in the street car industry as there was in this country during recent years. The chief reason for this situation in the United States is recognized as the tremendous increase in the use of the private automobile and the motor bus. Although the bus has been more and more widely introduced as a public conveyance, the number of privately-owned automobiles is proportionately much lower abroad than in the United States.

#### BUS TRANSPORTATION

The most serious dislocation in the natural development of street car serv-

ices is the rapid extension of the use of buses for transportation purposes. The bus has rapidly gained in popular favor and has thus become a serious competitor of the tramways.

In the early years of this development no systematic effort was made to protect the street cars from this competition nor to subject the buses to the type of supervision and control which was prescribed for the street cars. With a lesser investment, no charges for upkeep of streets except in the form of inadequate license fees and with the privilege of running at profitable hours, the buses soon became, to put it mildly, a disturbing factor in the local transportation situation. But order is being brought out of what threatened to become chaos. A stricter control and centralization of licensing authorities—in England there were over 1,300 such until recently—consideration of the proper coördination of street car and bus services, supervision of construction and maintenance of the buses are some of the characteristic advances.

Although the street car companies were slow at the outset to appreciate the possibilities of the bus as an auxiliary to the electrical system, there has set in more recently a marked tendency to establish bus lines as a definite part of the transportation system operated under the electric railway system. For instance, on the municipal lines in Birmingham and Edinburgh 24 per cent of the revenue passengers in 1927-28 were carried on buses. During the three years 1927-30, the number of bus passengers in four of the large German cities (Berlin, Stuttgart, Chemnitz and Koenigsberg) increased from 5,351,000 to 8,340,000 or about 55 per cent.

In all of the countries considered except Portugal and the city of Danzig it is reported that the prevailing tendency is to use the bus as an auxiliary and integral part of the street car sys-

tem, operating under one and the same system, but usually transfers are not available between car and bus lines. The systems in France, Italy and Portugal may be cited as exceptions to the rule as regards transfers.

On the other hand in a number of cities both in England and Germany the operation of buses is in the hands of private companies. London may be cited as a striking illustration of this, as the London County Council operates 1,800 trams while private business operates over 5,000 buses. Incidentally there is no other foreign city where the street cars are actually outnumbered by the buses. In Paris the ratio is somewhat more than 1 bus to 2 cars (1,371: 3,100).

In general the definite trend is toward an increase in the number of buses. It has even been argued by some that the bus would and should entirely supplant tramcars as being more flexible, less expensive from the viewpoint of original investment and operation and more popular.

No better refutation of this position has been advanced than the statement of the engineer of the Liverpool system, who analyzed the local transportation problem with reference to the consequences of a complete substitution of buses for cars. He pointed out that if the 640 trams required during the rush period in Liverpool were replaced by buses it would require 880 buses or an increase of 38 per cent of the total number of vehicles. The operating expenses would be practically the same, but figured on the seating capacity the bus seat would cost 57 per cent more than the car seat and the road space per passenger would be much greater for the buses than the trams. Furthermore, the buses have a shorter length of life as compared with cars, it being estimated that the former last from seven to eight years

and the latter fifteen to twenty years. The sinking fund provisions per mile traveled would, therefore, be decidedly higher for buses. He finally indicated that the tram system contributed to the road upkeep, having spent £1,150,000 during the preceding five years, while this expense would under exclusive bus operation be paid by the city.

Another interesting comparison along somewhat different lines was recently made by the Canadian Electric Railway Association.<sup>1</sup> It is based on the area of the streets actually used in a typical city during rush hours and a census of the passengers in the street cars, buses and private autos. Although the cars carried 78 per cent of the passengers they occupied only 24 per cent of the street space and the buses carrying 1.3 per cent of the passengers occupied 1.4 per cent of the space. On a square foot basis the tramcar passengers required an average of 5.9 square feet of street space, the bus passengers 18.7 square feet and the auto passengers 72.5 square feet. Referring to the results of the actual count it is estimated that it would require 45 autos to carry the same number of passengers as the average street car since the average number of passengers in the autos covered in the count was 1.93.

The writer is aware that these arguments are far from conclusive, particularly in view of the fact that in holding up traffic when taking on and letting off passengers, some allowance should be made for the space occupied by the various vehicles which are held up at practically every stop. Nor can the dangers incident upon the speeding up of autos and buses in trying to pass street cars between stops be overlooked.

Two possible remedies for reducing

<sup>1</sup> *Electric Railway Statistics*, August 1930.

these handicaps may be cited. The first is the rerouting of cars so that the most congested area of the business district is entirely free of street car traffic. In London, for example, an area of three square miles ( $2 \times 1\frac{1}{2}$ ) and in Paris one of three-fourths of a square mile is entirely closed to street cars (Report of 1923). The advantages of this policy are obvious and in view of the low rate of speed on account of congestion, passengers who have business in the restricted area suffer no great loss of time by reason of the necessity of walking.

A second remedy—introduced in Liverpool—is to segregate the street car lines on arterial roads of a width of one hundred and twenty feet so that an average speed of 20 miles per hour may be maintained. The tramway line is 29 feet wide and is located centrally, being set off by a low fence. It is pointed out that it is possible by this means to approximate subway speeds and at a much lesser cost, while traffic hold-ups are practically eliminated.

As was pointed out, there are those who scout the validity of such arguments and remedies and urge the entire elimination of the street car as a means of transportation. They lay particular emphasis on the advantages of discharging and taking on passengers at the curb whereby the center of the street is continuously open for fast moving traffic.

Whatever the arguments pro and con, the opinion among engineers and managers of street car companies in foreign cities seems unanimous that the street car is in no danger of displacement by buses except in the less congested and outlying areas. For these the bus is better adapted.<sup>1</sup> This observation applies only to the larger

municipalities. In cities of a population of 100,000 and less, according to the *Canadian Annual Review* (1928-1929, page 215), the street car is doomed.

In the recent comprehensive report of the Royal Commission on Transport (England) it was also held that the tramcar is obsolescent, if not obsolete, except in the great cities and large towns.

In recognition of these circumstances a fairly rapid movement is under way to substitute buses for cars in lines where the traffic is less heavy. Such lines are increasingly affiliated with the street car system. In metropolitan centers the network is being extended to near-by communities as well, although in England independent private companies are extensively operating under the authority of the recently constituted area commissioners.

Competition between trams and buses has stimulated the management of the former to attempt to attract patronage by increasing speed, reducing noise and offering more comfort for the passengers.

The annual reports from a number of English tramway companies indicate that reconditioning and modernizing of cars is under way on a large scale. Edinburgh, for example, is engaged in "pullmanizing" its trams. This consists in installing upholstered seats, duralumin fittings, 40-watt, 90-volt frosted lights, and air brakes. The maximum speed is raised to 30 miles per hour. Nosing and jazzing of cars, the source of so much discomfort, are being done away with by keeping the rolling stock in first-class shape. Wrought steel gears and pinions are used to reduce the noise. Furthermore, fares have been lowered so that 70 per cent of the riders pay only 2 cents per ride, *i.e.*, less than pre-war rates. These innovations are directly

<sup>1</sup> Report of Committee of American Electric Railway Association, 1924.

chargeable to the competition with private bus lines. They have enabled the street car company to maintain its leadership in local transportation.<sup>1</sup>

It is not intended to convey the idea that this progressive spirit is generally characteristic of the European cities. It would appear from a rather extensive field survey made by Marquis F. C. Cusani of Italy (see *Electric Railway Journal*, June 1929) that only a limited number of systems in Germany, Italy, Holland, Finland, Denmark, and the Scandinavian countries have profited from the technical advances in street car design and construction made in the United States. Single truck cars predominate. Methods of control and braking are generally far from up-to-date. However, the systems of Milan, Barcelona, Berlin and Munich are especially cited for progress made in one direction or another.

#### TRACKLESS TROLLEYS

Passing reference should be made to the trackless trolleys, introduced first as an experimental measure in 1911 and then somewhat more generally in the post-war years. Their chief advantage is, as the name implies, that track maintenance—no insignificant item in the operation costs of a tram company—is entirely eliminated. They are also quieter and less obtrusive of traffic because they may draw up to the curb when taking on or discharging passengers. The trackless trolley has been introduced in England, France, Germany, Rome and the United States. It is looked upon with favor by some traffic engineers in these countries and has met with favorable comment as a possible substitute for tramcars in the report of the Royal Commission on Transport referred to above. But on the whole

the trackless trolley may be said to be still in the period of experimentation.

Originally adopted in England, it has been most widely used in this country. For this reason the following data covering the years 1925-29 may be of interest. Although there is little change in the number of cities using this type of transportation, the aggregate of car miles run and passengers carried has steadily mounted. In fact, it has increased from 1925 to 1929 by 100 per cent or more on both items, as is made clear in the table.<sup>2</sup>

Years	Cities	Passengers Carried	Car Miles Run
1925-26 . . . .	17	32,672,110	3,544,000
1926-27 . . . .	19	37,520,338	4,414,543
1928-29 . . . .	16	75,381,637	7,075,802

It should be pointed out, however, that the two-thirds of the traffic took place in three cities of less than 110,000 population.

In view of the above data the conclusion is warranted that the trackless trolley has not been adopted on any considerable scale in English municipalities as a substitute for the electric railway trams nor is its use spreading to any extent.

#### CONCLUSION

In concluding, attention may be called to the partnership arrangements that have been made between some public authorities and private companies as being perhaps the most instructive phase of European organization, *i.e.*, from the American viewpoint. Even this is not as significant today as it was three or four years ago when the street car companies in this country seemed to be in such dire straits. More recent reports indicate that a marked improvement has set in with respect to patronage and net

<sup>1</sup> *Electric Railway Journal*, November, 1929.

<sup>2</sup> See *Municipal Year Books*, 1925-29.

earnings. But should it prove to be necessary in the future for companies to increase fares above the present high level in order to balance their budgets and pay a fair return on the investment, the question can and should be raised as to the desirability of municipal aid. It will not be denied that cheap transportation is essential to public well-being and that a city is justified if not called upon, to spring into the breach when private agencies fail to provide it. In case such action is contemplated, we can well take advantage of the wealth of foreign experience in handling this problem whether by means of the concession with a guarantee of a reasonable return, outright municipal ownership, or a mixed arrangement in which private and public interests combine.

Should municipal participation seem advisable, it would be particularly advantageous to explore the possibilities of operating street car companies as private corporations in which the cities concerned would hold a considerable part if not a majority of the stock. Indeed, as time passed, all of the stock might be bought in by the city, as has happened in a number of German municipalities. The advantages of running electric car companies under this type of organization were outlined above. The results have proved the soundness of the principle, and one may safely conclude that the experimental period has been successfully passed.

From the evidence on hand it would

also appear advisable for us to take a leaf out of the book of certain European cities with regard to a systematic effort to reduce the noise of street car operation. More attention to poor rail joints, worn running gear and trucks would do much toward making street cars more attractive to the riding public and, incidentally, materially lessen the total noise output of our American streets. The companies in a number of American cities are giving attention to this problem, but a more general campaign is highly desirable.

The most signal improvement that might be made in our street car service, *i.e.*, if we wish to profit from customs abroad, would be a definite limitation on the number of standees. This is dictated by considerations of both comfort and decency. In view of our lamentably high standards of congestion of buildings in the business district, such a measure may be beyond the realm of possibility. Belated action in zoning and city planning, based on transportation, as well as other factors, bids fair to carry penalties for street car companies and their patrons for years to come. But an adequate treatment of this subject obviously goes beyond the scope of this paper. It deserves, however, a special place on the program of any organization dealing with municipal problems. If not attacked more constructively and aggressively, we shall soon find ourselves entangled in a transit situation that cannot be straightened out but must simply be endured.

## RECENT BOOKS REVIEWED

**CITY MANAGER YEAR BOOK, 1931;** Papers and Addresses of the Seventeenth Annual Convention of the International City Managers' Association held at San Francisco, September 24-27, 1930. Published by the Association, Chicago. 304 pp. \$2.00.

The sub-title correctly describes the book—it is not what I should call a Year Book at all. For Year Book facts consult the annual number of *Public Management*, the city managers' monthly magazine. That annual number is an admirable job, by the way, and from it I learned some things that were quite new to me such as that of the cities of over 10,000 population one in every five now has the city manager plan—did you realize that?—that there have been 188 promotions from city to city and that about half the managers are being selected from out of town. It is by all odds the most precise and competent survey of the current state of the city manager movement that has ever been published and reflects credit on the city managers' secretariat.

This Year Book, "which ought to be called "Convention Papers," has been edited by clearing away an underbrush of introductory speeches and petty dialogue which encumbered most sadly some of the Association's earlier volumes, and every paper gets down to business in its opening paragraph, which is proof to me that the actual opening paragraph as delivered at San Francisco was boldly clipped off by Mr. Ridley's intelligent editorial shears.

And this leads us neatly to the question whether much more could not have been cut out and much expense saved. For, of course, the 39 papers are not of uniform value and some of them, while useful in a convention symposium, need never have been given the further dignity of printing in extenso if the editor of the volume had felt free to pick and choose. The National Municipal League has been through this experience: The League's annual convention proceedings, stenographically reported, were printed in such volumes as this for years; it is hard to imagine that anybody ever read such a volume through and as a means of burying the high point of the conventions in a sea of type it was perfect; so we discontinued the annual cloth-bound volume of *Proceedings* and the editor of the REVIEW

thereafter printed such of the papers as seemed to him to deserve printing; nobody ever bewailed the disappearance of the others. Such a policy, Mr. Ridley, would save your Association perhaps half the cost of the Year Book, provide *Public Management* with some rich material and give to the most useful of the papers a proper emphasis.

In an earlier day I recall jeering at the city managers' conventions for drawing all their speakers from the ranks of city managers; that is evidently all changed now, for 30 of the 39 speakers at San Francisco were not city managers—they were specialists like Bruce Smith and August Vollmer talking police problems, research bureau men, college professors. Good!

O. E. Carr, city manager of Fort Worth, contributes a paper entitled "Marketing Municipal Bonds." He endorses the serial type, for instance. But after the paper is duly discussed, nothing visible comes of it, although Carr speaks with unusual authority as one who has managed five cities. The National Municipal League, whose committee and secretariat produced a model municipal bond law, got nearer to brass tacks in its formulation of theory and then was in the position of having no power to put it over. I want to see the city managers make competent practical examination of theories of administration whether offered by their own members or outsiders, adopt standards and revise them incessantly, and have technical Kilkenny cat fights over them! But that requires more secretariat than they have heretofore had. However, the situation is changing.

The City Managers' Association has some money now for research and probably begins thereby a new course of usefulness. Two city managers have been given traveling fellowships; Holt of New London, Connecticut, will investigate salvaging of municipal wastes and Buechner of Gladstone, Michigan, will work on workmen's compensation insurance. A research director, Donald C. Stone, with an office in Chicago, will carry forward a project to standardize street sanitation records, and other work of the kind will doubtless follow. Then will probably ensue still better city manager conventions where model methods, standards, record systems are sub-

mitted by specialists for formal acceptance by the managers and for adoption in their respective cities. Whereby, we may hope democracy may be led into marriage with science!

Now, let's see—Oh, yes—this was to be a book review of this bound volume of convention papers! But I have already indicated that such a volume is one that nobody would think of really reading! And I must stay true to my thesis!

RICHARD S. CHILDS.

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**PSYCHOPATHOLOGY AND POLITICS.** By Harold D. Lasswell. The University of Chicago Press, 1930. iv, 267 pp., appendices and index, 18 pp. \$3.00.

The theme is that politics cannot become political science unless politically important persons can be analyzed by the free-fantasy method (as well as the logical), and typologies established. Freud replaces Bryce so that men may be studied as trees are, whether growing or decaying. "We want to discover what developmental experiences are significant for the political traits and interests of the mature" (p. 8). . . . "our faith in logic is misplaced" (p. 31). "The mind is a fit instrument of reality testing when both blades are sharpened—those of logic and free-fantasy" (p. 37).

The author's ambitious and somewhat confused project is sketched in chapter one. Chapter two gives "the psychopathological standpoint in its historical setting," through three pages of theory and ten pages of Freud. Despite the criticisms of Adler, Jung and others, Freud is followed throughout the book with an implicit and naïve enthusiasm. Chapter three completes the Freudian set-up. In the fourth and fifth, we "review the current criteria of political types" "on a three-fold basis: by specifying a nuclear relation, a co-relation and a developmental relation" (pp. 14, 49).

We then investigate "somewhat homogeneous groups of politicians" to bring out "significant differences in their developmental history" (p. 77). Political agitators are examined in six cases (Chapters 6 and 7, 49 pp.) reaching the broad conclusion, "the agitator values mass responses" (p. 124) with which we began (p. 78). This truism is Freudianized through pp. 124-6.

Political administrators (Ch. 8, 26 pp., 4 cases) are found to differ from agitators "by the displacement of their effects upon less remote and abstract objects" (p. 151). In certain instances

"the differences in specific development are principally due to the cultural patterns available for identification at critical phases of growth" (p. 152). The language may be new; the thought is as old as Aristotle.

We then consider "Political Convictions" (non-juristic, of course), and by means of the nine cases and twenty pages of Chapter 9, find "that the significance of political opinions is not to be grasped apart from the private motives which they symbolize" (p. 172). Therefore, we proceed to "discuss the bearing of personality studies on general political theory and (to) criticize existing methods of study" (p. 14). This gives four chapters (10-13): The Politics of Prevention, The Prolonged Interview and Its Objectification, The Personality System and Its Substitutive Reactions, and The State as a Manifold of Events. These fix one's impressions that the camel (Freud) is thereby in complete possession of the tent (Politics). In these 96 pages a host of selected authorities and generalizations, mostly with odd and far-flung names, crowd out the cases, and we conclude: "When the state is seen as a manifold of events the conditions of whose occurrence are to be understood, the theoretical foundation is laid for both the intensive and the distributive inquiries upon which the politics of prevention can be built" (p. 267). Many historians have previously borne witness to that.

This book has much for those who relish a technological psychiatrization of "the low down." The space allotted to intercourse, masturbation, and sodomy will not repel disciples of Freud. The author, obviously, is not bent on evidencing certain of A. Flexner's criticisms; and, on Montessorian principles, such energetic activity must be respected. But the reviewer was left wondering, first, how the method can be applied to any save the lower ranges of personnel work; and second, what advance we have here over biographical material of the sort afforded by Naunton, Clarendon, Wraxall, Greville, etc. This emphasis on "facts not pretty" (p. 14) may yet, despite tangled style and defeatist composition, help neutralize somewhat such deceptive forces as modern officialism and journalism (among others). In the present drift-era of our politics many more such dream-books will be produced.

W. L. WHITTLESEY.

Princeton University.

**AIRPORTS—THEIR LOCATION, ADMINISTRATION, AND LEGAL BASIS.** By Henry V. Hubbard, Miller McClintock, and Frank Backus Williams. Cambridge: Harvard University Press, 1930. 190 pp. \$3.50.

Airports present a fresh complication in the official lives of municipal authorities and city planners. The rapid development of the automobile caught most cities napping and there has been evidence of a common determination to solve in advance the problems presented by the new aviation industry and to use as much imagination and judgment in our solutions as we wish our forefathers had used in planning their streets and roads for present use.

This is much easier said than done—and books such as this first volume of the Harvard City Planning Studies are of assistance in comprehending the factors involved in airport design, management, location, and legislation.

The arrangement of the books is particularly good, and the tables in the appendix with tabulations of existing experience in the United States in respect to airports, will be welcomed by those interested in statistical data on this subject.

The detailed studies of ownership, management, and administration made by Mr. McClintock will perhaps be of greater value to municipal officials contemplating acquisition and operation of airports, than to the planning profession, although there is much material here which not only throws light on existing difficulties, but indicates possible future problems to be met by the planner. Section 1, the Airport in the City Plan, by Mr. Hubbard, and Mr. Williams' discussion of Legislation will be of equal value to municipal officials and to planners.

Regulatory and restrictive legislation, as well as physical and economic factors, are beginning more and more to affect the location of airports. The postscript to References on the Law of Airports (pp. 184 and 185) summarizing the recent court decision in the Cleveland Airport case is suggestive of future complexities.

Perhaps the largest contribution of the report lies in its challenge to considered judgments, for, as Mr. Hubbard points out in his introduction to Part I, "To come to a decision which may not later bring contempt rather than honor to its authors, all the various factors which are concerned in this specific decision should be set down and evaluated at their relative worth. This is not a thing which can be done mechanically.

. . . Neither can any community guide itself with safety by copying the present accomplished results in another community."

Although recognizing the thorough excellency of this work we cannot but express regret that airports should have been selected as the first subject of research in the Harvard Planning Studies. The field is too new to lend itself well to research and city planning has been handicapped so long in so many phases that another choice for first study might have proven more widely useful. It is hoped that other studies may follow shortly.

RUSSELL VAN NEST BLACK.

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**THE ADMINISTRATION OF DAMAGE CLAIMS IN NEW YORK STATE MUNICIPALITIES.** By Robert Myron Paige. Syracuse University, Syracuse, New York, 1930. 56 pp. 1930.

This report presents the findings of a survey made under the direction of the School of Citizenship and Public Affairs of Syracuse University and the New York State Conference of Mayors and Other Municipal Officials. The phases of the problem of damage claims investigated were the effectiveness of the common law and statutory safeguards in preventing imposition, the methods which should be used in the investigation of accidents and the preparation of cases for trial, and the various ways of reducing the number and amount of claims filed. A separate section presents findings on particular types of actionable defects, such as liability for streets and sidewalks and liability for the maintenance of parks and playgrounds. The following are some of the recommendations contained in the report: the inclusion in municipal charters of the requirement that corporation counsels be given notice within five or ten days after an accident of the intention to file a claim for damages; the enactment of ordinances that will prevent dangerous conditions and that will require the posting of a bond by those who have good reason to create such conditions; the development of administrative methods that will bring about the prompt and thorough investigation of every claim, the elimination of political expediency in the settlement of claims, the contesting of every questionable claim, the adoption of cost records for each claim handled, and the employment of inspection officers to watch conditions and correct defects.

MARTIN L. FAUST.

A GUIDE TO STATISTICS OF SOCIAL WELFARE IN NEW YORK CITY. By Florence Du Bois. Welfare Council of New York City, 1930. 313 pp. \$2.00.

The Research Bureau of the Welfare Council, for this their third study, considered some 1,500 separate sources of statistics and selected 344 studies as sufficiently scientific and authentic to justify indexing. The volume purposed to supply an index of statistical information relating to the welfare of the people of New York City and to promote the use of this material, as well as to indicate the extent of statistical information now available in each aspect of social welfare. Thus, because of the material and the excellent arrangement and clear indexing, this book ought to conserve a great deal of the time and energy spent in searching for statistics and to prevent duplication of material already available. Such material in concise form is a genuine factor in the

formulation and criticism of social welfare programs.

EDNA TRULL.



COUNTY MANAGER GOVERNMENT. Compiled by Helen M. Muller. Vol. VI, No. 8 of The Reference Shelf Series. New York: The H. W. Wilson Company, 1930. 173 pp. \$90.

The H. W. Wilson Company devotes one of its "Reference Shelf Series" to the subject of *County Manager Government*. It is edited by Helen M. Muller, compiler, and as usual contains briefs *pro* and *con*, an elaborate bibliography and reprints of usable material. That Miss Muller had the coöperation of Dr. Russell Forbes and Howard P. Jones is ample assurance that the National Municipal League point of view is adequately and sympathetically represented.

CLINTON ROGERS WOODRUFF.

## REPORTS AND PAMPHLETS RECEIVED

EDITED BY EDNA TRULL

*Municipal Administration Service*

Report on a Survey of the Organization and Administration of the State Government of North Carolina.—Washington, 1930. 323 pp. At the request of Governor O. Max Gardner, this survey was made by the Institute for Government Research of the Brookings Institution. The Governor's desire for a complete, modern, practical set-up of government reorganization, and four months of intensive study by several members of the Brookings staff resulted in twenty-two pages of specific recommendations for constitutional, statutory and administrative changes. Through this there is a "central thought permeating every chapter—the thought of unification, of control for the purpose of developing flexible responsiveness of all departments and divisions to intelligent direction. The adoption by North Carolina of even some of these recommendations should promote increased efficiency and economy in the conduct of the governmental affairs." (Apply to Institute for Government Research, Brookings Institution, Washington, D. C.)



Crippled Children in Michigan.—Lent D. Upson and Opal V. Matson. 1931. 188 pp.

The will of the late George H. Cummings of Detroit provided that the bulk of his estate should be expended for the care of crippled children. The trustee of the estate, Harold H. Emmons, determined that the purpose of the will could best be accomplished after a survey, conducted so as to be of value to himself as trustee of the estate concerned, and also to others. It was to this end that the study was made. Investigation covered the discovery of cripples and the prevention of their handicaps, whether congenital or the result of disease or accident, and the care needed—medical, surgical, convalescent, educational, vocational and recreational. Certain provisions of the Michigan law deal with the care of crippled children, but there are still many gaps to be filled by private philanthropy. Each of the nine chapters starts with carefully drawn conclusions, so that the volume will be useful generally, as well as to the trustee of the estate. For him, the authors point especially to the need for discovering pre-school cripples, where remedial work will be effective, and for additional convalescent facilities. (Apply to Harold H. Emmons, 3400 Union Guardian Building, Detroit, Michigan.)

**Recommended Minimum Requirements for Fire Resistance in Buildings.**—United States Department of Commerce, 1931. 58 pp. The Building Code Committee of the Bureau of Standards adds this bulletin to its series giving basic requirements for public safety and economy in construction. This report supplements and expounds the building code phrase commonly used in relation to fire-resistance construction, "safety or welfare of those in or about buildings." Details of design must definitely limit the chances for a fire to get a start; buildings must be constructed so that egress in case of fire is sure and safe; construction must prevent communication of fire from building to building, to decrease the possibility of conflagration. Much laboratory work has been done, and a wealth of material has been collected on the fire resistance of various kinds of construction. Some of this information is included in a very informative appendix. There are recommended code requirements for classification of buildings, by occupancy and type of construction, building restrictions, and fire protection. (Apply to Superintendent of Documents, Washington, D. C. Price, 10 cents.)

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**The Administration of Workmen's Compensation in Minnesota.**—Lloyd A. Wilford. Bureau for Research in Government, University of Minnesota, 1930. 35 pp. In his legal practice during the past few years, the author has had considerable experience in the field of workmen's compensation law, and the major part of this work is devoted to the procedure in settling compensation claims. Other chapters expound the development of this type of legislation, the provisions of the Minnesota law, and its administration. Mr. Wilford concludes that the workmen's compensation act calls for a close relationship between administrative and judicial functions. (Apply to University of Minnesota Press, Minneapolis, Minnesota. Price, 50 cents.)

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**Report of the Committee to Investigate the Methods of Administration in the Boston Schools.**—Boston Finance Commission, 1931. 112 pp. Under a special grant to the Finance Commission, it appointed for this school survey, a committee of three, William D. Parkinson, a retired normal school principal; Renton Whidden, builder, real estate operator, and legislator; and Mathew Sullivan, architect. The study of the Boston situation led to specific recommendations for a definite placing of re-

sponsibility, involving an apparently thorough reorganization and simplification of school administration, with reduction in cost, and an attendant emphasis upon the teaching process as the crux of the education problem. A long-term and foresighted building program seems essential and a number of concrete suggestions are made. Finally the School Committee should devote its time to policies. Mr. Whidden adds to this report his conviction that these recommendations should include a board of education with three appointed members serving full time. The report is especially interesting in that emphasis is put on the relation of administration to underlying educational problems. (Apply to Finance Commission, 24 School Street, Boston, Massachusetts.)

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**Proceedings of the Third Annual Northwest Fire School.**—University of Minnesota, 1930. 70 pp. The Northwest Fire School provides an opportunity for conference on fire fighting and fire prevention. Technical knowledge and experience is exchanged formally and informally, and outside experts also advise so that this becomes a genuine school sponsored for five intensive days by the University of Minnesota, the League of Minnesota Municipalities, the State Firemen's Association, and the State Insurance Department, with the coöperation of Minneapolis and St. Paul. The program is planned by a committee representing fire chiefs and fire-fighting and prevention agencies throughout the state. The subjects covered include the operation and powers of a state fire marshal's office, the trial of arson cases, fire chemistry (ventilation, gases), equipment, hydraulic, chemical and special hooks and nozzles, salvage (not omitting the prevention of excessive smoke and water losses), accident prevention and workmen's compensation, building codes and inspection of hazards, including electrical and storage. The Northwest Fire School was attended by fire fighters from Minnesota, South Dakota, Iowa, Illinois, Wisconsin, Ohio and Winnipeg, Canada. (Apply to Minneapolis Fire Department Drill School, University of Minnesota, Minneapolis, Minnesota.)

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**Financial Program and Report on Annual Budget Estimates.**—Des Moines, 1930. 74 pp. This report to the board of education by the superintendent compares school costs in Des Moines with those in other cities and suggests a

five-year financial program, including detailed facts for each of the five years. A program for bond retirement is proposed, and the annual budget estimates are carefully explained and analyzed. (Apply to J. S. Studebaker, Superintendent, Board of Education, Des Moines, Iowa.)

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**Kentucky City Directory.**—Lexington, Kentucky, 1930. 148 pp. This is published by the Kentucky Municipal League, as a supplement to its weekly "The Kentucky City." It contains a complete roster of state, county and city officials. The assemblymen are listed with brief biographies, and the main planks in their platforms. Useful geographical and statistical information is given. About half the book is devoted to a listing of various utilities operating in the various cities, with their rates and franchise dates. (Apply to Kentucky Municipal League, Lexington, Kentucky. Price, \$2.00.)

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**American Library Laws.**—Milton J. Ferguson. Chicago, 1930. 1103 pp. The American Library Association, assisted financially by the Carnegie Corporation of New York, is responsible for this compilation of library laws. It applies to "America" in the broader sense, and lists the legislation of British colonies and dependencies in the Americas, Canada, federal and by dominions, Mexico, Newfoundland and Labrador, the United States, federal, state, and territorial. An appendix of special provisions and a comprehensive index add to the value of the book. (Apply to the American Library Association, Chicago, Illinois.)

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**Recent Books and Reports on Housing, Zoning and Town Planning.**—New York, 1930. 34 pp. This is a comprehensive bibliography of published material on the subject, including that received, though not all written, between October, 1929 and 1930 by the National Housing Association. (Apply to the National Housing Association, 105 East 22nd Street, New York City. Price, 50 cents.)

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**Short Cuts on City Planning Questions.**—Planning Foundation of America, 1930. 33 pp. This is a digest of some of the papers presented at the National Conference on City Planning held at Denver in 1930. The subjects are the coördination of streets, parks, public buildings, zoning districts and public utilities; subdivision regulation in unincorporated areas; county re-

sponsibility for the direction of land subdivision; modern motor arteries; airports in the city plan; and special assessment for street widening. (Apply to Planning Foundation of America, 130 East 22nd Street, New York City.)

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**Standards Yearbook, 1931.**—United States Department of Commerce, 1930. 399 pp. The fifth yearbook of the Bureau of Standard features a series of articles contributed by experts in the fields of transport. Attention is given also to the governmental and private agencies engaged in standardization activities. There has been included outlines of the methods employed for making their standards and specifications effective and an attempt to evaluate their success. A bibliography of recent publications relating to standardization is contributed by William A. Slade, chief of the Library of Congress division of bibliography. (Apply to Superintendent of Documents, Washington, D. C. Price \$1.00.)

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**Proceedings of the Sixteenth Convention of the New Jersey League of Municipalities and Allied Associations.**—1930. 103 pp. This contains the addresses made on the issues to be faced by municipalities in 1931, and includes public utility regulation, problems of regional government, finance and state reorganization. Reports are given also for special sessions on building inspection, municipal engineering, tax collection and assessment, and traffic problems. (Apply to the New Jersey League of Municipalities, 34 State Street, Trenton, New Jersey. Price, \$1.00.)

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**Manual for Studies of the Cost of Administration of Criminal Justice in American Cities.**—Washington, 1930. 38 pp. Among its investigations, the National Commission on Law Observation and Enforcement has undertaken a study of the cost of criminal justice. This manual outlines certain of the more important elements of the problem of the cost of criminal justice in the larger cities and sets forth minimum requirements necessary for studies to be comparable and valuable to the commission. It suggests methods of investigation, form of reports, and sources of information—on subjects such as community data, cost of police, cost of prosecution, cost of the criminal courts, cost of penal and corrective treatment. (Apply to Sidney B. Simpson, Esq., 61 Broadway, New York City.)

# JUDICIAL DECISIONS

EDITED BY C. W. TOOKE

*Professor of Law, New York University*

**Streets—Regulation of Traffic—Ordinance Requiring Auto-renting Agencies to Insure Their Cars.**—In *Hodge Drive-it-Yourself Co. v. Cincinnati*, decided February 11, 1931 (See *U. S. Daily*, March 6, 1931) the Supreme Court of Ohio sustained the validity of an ordinance of the city which requires that all agencies renting cars to the public to be driven by the persons hiring them shall take out liability insurance or post an indemnity bond as prerequisite to the issuance of a license for the operation of any such car on the public streets. The ordinance provides further for the amount of insurance to be kept in force and the procedure under which licenses may be granted or revoked. The vehicles covered by the ordinance are those rented or hired for operation by some other person than the owner, and does not cover cars used for the purpose of transporting persons for compensation.

The principal question involved in the case was whether under the delegated police power to regulate traffic, the city may thus control the licensing of vehicles to be rented to and operated by persons other than the owners. The business is of such a public nature that it is plainly subject to direct or indirect regulation by the state. But the validity of the ordinance is rested solely upon the power to regulate traffic. The power to classify and to impose conditions upon the use of the public streets for profit is unquestioned. Such use is not a right but only a privilege, subject to the imposition of any reasonable regulations. (*Fifth Avenue Coach Co. v. New York*, 194 N. Y. 19, 221 U. S. 467; *Chattanooga Dayton Bus Line v. Burney* (Tenn.), 23 S. W. (2d) 669). The power to regulate taxicabs, for example, is plenary (*Mosley v. Wilson, Police Commissioner*, 261 Mass. 269, 159 N. E. 41) and the requirement of indemnity insurance for such vehicles has been uniformly sustained. The court points out that while the individual operating a rented car is exercising a right as a member of the public, the owner who rents the car is making use of the highway for profit. As the police power extends to requiring private owners using the highways as a common right to take out indemnity in-

surance, for better reason, a similar regulation of agencies renting cars for hire should be sustained.

The ordinance in issue, which is set forth in full in the opinion, is very carefully drawn and may well be followed where similar legislation is contemplated.



**Indebtedness—Limitations—Emergency Exception of Charter Includes Borrowing to Relieve Unemployment.**—In a recent decision (*Muskegon Heights v. Danigelis*, reported *U. S. Daily*, March 6, 1931) the Supreme Court of Michigan upholds the authority of the city to borrow money for the relief of the unemployed. Muskegon City operates under a home rule charter which provides that:

The city council is hereby authorized to borrow money, and issue bonds for the payment therefor for the following purposes: . . . (2) For emergency purposes in accordance with the provisions of the Home Rule Act of Michigan.

The Home Rule Act C. L. 1929, section 2231, places a limitation on municipal borrowing of 10 per cent of the accrued value of real and personal property with the following proviso:

Provided, further, that in case of fire, flood or other calamity, the legislative body may borrow for the relief of the inhabitants of the city and for the preservation of municipal property, a sum not to exceed one-fourth of one per centum of the assessed value of all the real and personal property in the city, due in not more than three years, even if such loan would cause the indebtedness of the city to exceed the limit fixed in its charter.

Under such statutory authority, the only question before the court was whether the issuance of bonds to the amount of \$25,000 by act of the city council was for the relief of the inhabitants from the effect of a "calamity." The court construes the powers conferred upon the city as not extending in case of fire or flood to compensation for loss of property, but only to the alleviation or prevention of distress caused hereby. The term "other calamity," the court says, is a generic term, comprehending the occurrence of any unexpected event of sufficient magnitude to cause widespread want and consequent suffering to the inhabitants of the city.

The facts of the record showed that the city's funds for the relief of the poor were exhausted, that unemployment was widespread and that measures of relief were urgent, which were sufficient to justify the finding of the council that an emergency existed.

It may be observed that the relief sought in this case was a declaratory judgment as to the validity of the issue of bonds. The constitutionality of the Declaratory Judgment Act of Michigan has recently been sustained and the court in taking jurisdiction of the issues of law and fact involved thus holds that such form of action is now available to determine the validity and the construction of ordinances and of other acts of a municipal corporation.

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**Eminent Domain—Incidental Profits from Resale of Lands Condemned for a Public Improvement.**—In *New Orleans Land Co. v. Board of Levee Commissioners*, 132 So. 121, the Supreme Court of Louisiana upheld the constitutionality of the appropriation of lands for the extensive improvement inaugurated by the city of New Orleans to reclaim the lands lying along Lake Pontchartrain. This improvement involves the outlay of some \$27,000,000 and when completed will protect the city from the flood waters of the lake and transform valueless swamp lands into property suitable for residences, with boulevards, playgrounds and other places for the use of the general public. It is expected that the sale of the improved lands will largely pay the expenses of this ambitious undertaking. The general plan and the procedure to be followed are fully authorized by the state constitution adopted in 1921 (Art. 16, sec. 7), as amended in 1922 and 1928.

The plaintiff in the instant case based its appeal from the decree awarding it compensation for the property appropriated not only upon the alleged inadequacy of the award, but, also, upon the ground that the appropriation was for a speculative purpose, a taking of private property for resale to private persons and, therefore, violated the protection assured by the Fourteenth Amendment.

That the purpose of this improvement is a public one is beyond question, and the reclamation of the lands taken is necessarily incident to the accomplishment of that purpose. The subsequent sale of surplus property thus taken and used, after the improvement is completed, has generally been sustained as incidental to the

public purpose (*Moore v. Sandford*, 151 Mass. 285; *Irrigation District v. Bradley*, 164 U. S. 112). The fact that pecuniary benefit may accrue to the municipality from such sales does not destroy the right to take the property by eminent domain (*Sweet v. Rechel*, 159 U. S. 380). The principle upon which the court rests its decision in the instant case is distinct from that of excess condemnation and is one that may be of great practical importance not only in reclamation projects, but also in other public improvements such as the construction of tunnels and the development of airports.

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**Zoning—Los Angeles Ordinance Depriving Owners of Land in Outlying Districts of Right to Drill for Oil.**—The Circuit Court of Appeals, Ninth Circuit, in a decision handed down February 16, 1931, sustained an ordinance of the city of Los Angeles, which by an amendment to the existing zoning law, took away from the owners of unimproved lands in an outlying district the right to drill for oil (*Marblehead Land Co. et al. v. Los Angeles*, reported *U. S. Daily* March 11, 12, and 13). The majority opinion was written by Judge Wilbur, a concurring opinion by Judge Sawtelle and a dissenting opinion filed by Judge Rudkin. The lands in question consist of some 396 acres situated about seven miles from the center of the city. No dwelling is within 1100 feet of the tract but two golf courses are located on adjoining property. The lands were annexed to the city in part in 1915 and in part in 1923. Thereafter, they were zoned as residence property, but upon application of the owners, an amending ordinance was passed in 1926 excluding all of these lands from residence district restrictions except a strip of 100 feet around their outer boundary. The remaining lands, upon which drilling for oil was then permissible, were leased to the Standard Oil Company, which commenced work and expended some \$136,000 on improvements preparatory to drilling operation. Thereafter, the city enacted the ordinance in question, restoring the restrictions which limit the area to a residence district, in which oil drilling operations are forbidden.

The court holds that the appellants have no vested rights that are taken away by this ordinance, that the restriction is reasonable and that it is justified by the protection it will give to the future development of the region. The weighing of the relative commercial values of the use of the property, of the nearness or remoteness of the

residential development and giving a proper weight to the present condition of the region would seem to stamp the ordinance as plainly an unreasonable and unnecessary exercise of the police power. Nor is it made clear by Judge Wilbur's long and involved opinion that his assertion that the appellants have no vested rights in the use they were making of the property. We may expect a reversal, if the case goes to the Supreme Court.

♦

**Streets and Highways—Damages for Change of Grade.**—The Supreme Court of New Jersey in *Wolfson v. Commissioners of Assessment of Perth Amboy*, 153 Atl. 106, holds that the so-called Home Rule Act of 1897, repealed by implication the old provisions of the town charter which gave a property owner a right to damages due to the changes of grade in an abutting street. At common law the abutting owner has no right of action for consequential damages for changes in the street grade, but quite generally today such a right is given either by the state constitutions or by special statutory provisions.

The charter in the instant case provided for the regrading of streets only as a special improvement, the cost of which, including the damages suffered by the property owner, were to be raised by special assessment upon the area found to be benefited. The general act provides that streets may be regraded as a special improvement, or as a general improvement to be paid for out of the general funds of the city. Although the provision in the charter for compensation to the owner whose property is damaged by the improvement is not repealed in express words, unless the later provisions of the general act are held to amount to a substitution, the conclusion would be that the legislature intended to provide alternative means of exercising the power, with compensation for damages if the one method were followed and without such compensation if the other were adopted.

The repeal by implication of a special provision of a charter conferring a power or a right of action by a later general enactment which is intended to be a substitute for all preexisting statutory provisions relating to the subject matter is a well-recognized principle of statutory construction (*Commonwealth v. Curry*, 285 Pa. 289; 132 Atl. 370).

♦

**Taxation—Exemption of Buildings under Construction.**—In *People ex rel. 1170 Fifth Avenue*

*Corporation v. Goldfogle*, 254 N. Y. 476, 173 N. E. 685, the Court of Appeals of the State of New York has sustained the constitutionality of Section 889-a of the Greater New York charter which provides that "A building in course of construction, commenced since the preceding first day of October and not ready for occupancy shall not be assessed." While this section was enacted in 1913, the instant case for the first time raised the question of its constitutionality. The building in question had been commenced subsequent to October 1, 1925 and was not ready for occupancy October 1, 1926, the date fixing its taxable status for the year 1927. In affirming an order eliminating from the realtor's 1927 assessment the value of the improvements the court said:

We think the proposition very plain that the statute does not offend the prohibition of article 8, §18, of the constitution. That section is aimed primarily, if not exclusively, at legislation attempting to grant to some specified "person, association, firm or corporation" an exemption from taxation. It is not intended to prevent in every instance the enactment of laws which the legislature deems salutary and which apply to all property of the same class in a defined territory. Section 889-a is likewise harmonious with the provisions of article 8, §10. By failing to assess a certain class of property, the city does not give its money or property or loan its money or credit to or in aid of individuals, associations, or corporations. It neither gives nor loans anything. This statute has been on the books for seventeen years, has been interpreted by the courts on many occasions, and never before has its validity been assailed. These facts are not conclusive, but are to some extent significant.

♦

**Home Rule—Powers of Ohio Cities Held Not to be Limited by Charter Provisions.**—A noteworthy decision on the powers of cities in Ohio was recently handed down by the Court of Appeals, Cuyahoga County (*State v. Rusk*, 174 N. E. 142) which holds that the city of Cleveland, under the Home Rule amendments adopted in 1912, has any and all powers that the state legislature could exercise except as limited by general statutes. The immediate question was the power of the city to appropriate money to reward a notable act of heroism in saving several lives at the time of the water works tunnel disaster in 1916.

There is no question that in the absence of constitutional limitations a state legislature might authorize or direct a city to make a payment to an individual under such circumstances. But in the instant case no such power is to be

found in the charter of the city. While generally in home rule states the legislative power to enact and amend the charter is transferred to the electors of the city, and appropriate legislative action by the electors is required to confer upon the home rule city the power to act in any case, the clause of the Ohio constitution (Art XVIII, sec. 3) conferring upon municipalities all powers of local self-government not in conflict with general laws has been construed to be self-executing and to do away with any necessity of adopting or amending the charter in order to confer any specific power (*Perrysburg v. Ridgway*, 108 O. St. 245; 140 N. E. 595). The only question before the court in this case, therefore, was whether the state legislature in the absence of constitutional limitations could confer such a power. The question being resolved in the affirmative, it follows that the city may exercise the power.

## \*

**Powers—Ordinance of District of Columbia Requiring a Bond for the Operation of a Taxicab Held Invalid.**—In *Patrick et al., Public Utility Commissioners of District of Columbia v. Smith*, 45 Fed. (2d) 924, the District Court of Appeals declared invalid a regulation promulgated by the public utilities commissioners, requiring the filing of an indemnity bond as a prerequisite to the issuance of a license to the owner of a taxicab, upon the ground that the power to make such a regulation had not been conferred upon the commission. The commission is primarily an administrative body and can act to impose regulations upon public utilities only by sanction of a congressional statute conferring upon it the power attempted to be exercised (*District of Columbia v. Bailey*, 171 U. S. 161). While congress has conferred upon the commission power to direct the public utilities of the District to make repairs, improvements, changes, or additions to equipment or facilities so as to provide reasonably safe and adequate service, no power has been expressly given to impose regulations of the nature of those in question. The court holds that such a power cannot be implied as essential to the carrying out of the express

powers, and, therefore, further legislation by congress will be necessary before such a regulation can be promulgated by the commission. The reported case well illustrates the frequent failure of legislative bodies to formulate statutes so as to confer adequate powers upon governmental agencies and also the unfortunate habit of such agencies in assuming that the doctrine of implied powers will justify the exercise of any power that may be convenient to carry out the express powers granted to them.

## \*

**Boundaries—Inclusion of Noncontiguous Lands Within Town.**—In *Chimney Rock Co. v. Town of Lake Lure*, 156 S. E. 542, the Supreme Court of North Carolina declared constitutional a statute of 1927 which incorporated the town of Lake Lure, comprising two separate and non-contiguous tracts of land, the smaller of which comprising about 185 acres includes the famous Chimney Rock. The two tracts are connected by a scenic boulevard and the larger of 8,000 acres includes the equally well known Lake Lure. The incorporation of two separate tracts of land both developed because of their scenic attractiveness into one municipality seems to be unique. But the contention of the plaintiff that the state legislature does not have such a power even in the absence of express limitations was plainly untenable. The plenary control of the legislature of North Carolina over the boundaries of towns and counties was established as early as 1850 in *Columbus Mills v. Williams*, 32 N. C. 558. While by special constitutional provisions it has often been held that municipalities must be comprised of contiguous territory (*Morgan Park v. Chicago*, 255 Ill. 190, 99 N. E. 388; *Chicago, N. W. R. R. Co. v. Oconto*, 50 Wis. 189, 6 N. W. 607) instances are not unknown when such a rule has not been applied, as in the case of the town of Cohasset in Massachusetts (see 9 *Harvard Law Review*, 153). Even where the rule of contiguity of territory is held to be applicable to municipal corporations, it is not applied to special public agencies such as drainage or irrigation districts (Wis. Laws of 1919 Ch. 557; Cal. Laws of 1919, Chs. 332, 341, 344).

# PUBLIC UTILITIES

EDITED BY JOHN BAUER

*Director, American Public Utilities Bureau*

**Muscle Shoals and the President's Veto.**—The Norris bill provided for comprehensive government development and operation of Muscle Shoals. The President, however, was authorized to lease the nitrate properties to a private corporation or individuals, provided that the lease was effected within a period of one year under terms fixed by the Act. If the leasing should fail, all the properties—nitrogen as well as power—were to be developed and operated by the government itself, through the instrumentality of the Muscle Shoals Corporation of the United States, under the direction of a board of three. As everyone knows the bill was vetoed by President Hoover on March 3. His analysis of it will doubtless furnish much debate, and in all probability his veto will not dispose of the matter. The bill will be reintroduced in the next Congress, and will probably pass without the provision for the leasing of the nitrate properties. And, it will be interesting to see what the President will do then, and how Congress will respond when the recent "lame ducks" have disappeared.

## PROVISIONS OF THE BILL

In this analysis, we shall be concerned principally with power. The bill provided for public development and operation of the properties, and the sale of the products. The corporation was required to furnish whatever power might be needed for experimentation and the manufacture of fertilizer, and to sell the rest to municipalities, counties and states, coöperative bodies, private companies and individuals. It gave preference, however, to the public groups, as against private companies purchasing the power for resale. The sale contracts were limited to ten years, except that where municipalities or other public groups had built their own transmission lines, the maximum was extended to thirty years.

Where the power is sold to private companies for resale to industrial, domestic and other consumers, the maximum rates to be charged were to be fixed by the federal power commission. The corporation itself could not fix or regulate through the sales contracts the rates for the ultimate consumers.

The corporation was authorized to build whatever transmission lines might be necessary or desirable to reach the purchasers, whether states, municipalities, or private companies. The price for the current delivered was to be fixed by agreement between the corporation and each party. There was no requirement that the power properties should be self-sustaining upon any particular financial basis.

## WHAT IS A GOVERNMENT FUNCTION?

The President's veto was based upon *general* political and *specific* economic objections—that the project violated proper governmental policy, and was unsound as a financial undertaking.

The first objection follows the deeply-riveted views of the President, that government should keep out of business; that public ownership and operation destroy private initiative and result in destructive competition with private individuals. He would approve government operation only where it is incidental to recognized governmental functions in connection with war, the improvement of navigation, flood control, and such purposes which have long been entrusted to government.

The President, of course, would not perceive what is obvious commonplace to students of history, political science and economics—that government always has been in business, always has competed with business, and has always interfered with and also stimulated private initiative. Its embarking upon a particular economic activity, does not prove that it would or should undertake another specific enterprise. Each project stands on its own merits. Nor could the President sense the fact that any line of demarcation between governmental and economic functions is largely artificial. The President's veto can be understood only if one comprehends his indoctrination with respect to business and public operation.

## IS THE POWER PROJECT FINANCIALLY UNSOUND?

The President's specific economic objection can be summarized: That the cost of furnishing power would come to about 9 mills per kilowatt

hour sold, while the revenue received would amount to about 7 mills; that this net loss of about 2 mills per kilowatt hour would render the project unsound as a financial undertaking.

The question is whether the costs and revenues have been properly computed to gauge the profitability of the power enterprise. The correct test of the costs appears in what would be saved by the government if the power project is not carried out. Only those costs should be counted which would be incurred directly or additionally because of the power undertaking. Costs that have been incurred, or will be incurred by the government, even if the power project is not carried out, should obviously not be included if we wish to know whether power would pay its way. Let us apply this test to the following costs charged by the President to power:

	<i>Annual Costs</i>
Interest at 4% on capital of \$127,000,000.....	\$5,080,000
Amortization.....	1,890,000
Operating and maintenance of hydro-electric plant.....	775,000
Operating and maintenance of steam plant.....	850,000
Operating and maintenance of transmission lines.....	550,000
 Total annual cost.....	 \$9,145,000
Estimated annual kilowatt hours sold.....	1,000,000,000
Average cost per kilowatt hour..	9 mills

These costs are grossly excessive, if tested from the standpoint of what would be saved if the project were abandoned, or what additional costs would be directly due to power development and operation. Let us consider briefly each cost element.

#### INTEREST ON CAPITAL

The largest single item is interest on investment. The aggregate investment allocated to power amounts to \$127,000,000, but the special or additional capital outlay required for power would be a minor fraction of that huge sum. The President's figures consist of the following items:

#### *Existing Properties:*

Wilson Dam and hydro-electric properties, total cost \$47,000,000; allocated to power..	\$37,000,000
Steam power plant at Muscle Shoals, original cost \$12,000,000; present value allocated to power.....	5,000,000
 Total existing properties..	 \$42,000,000

#### *New Construction:*

Cove Creek Dam, with hydro-electric plant and transmission lines to Wilson Dam, total cost \$41,000,000, of which \$5,000,000 is allocated to navigation and flood control, and the remainder allocated to power.....	\$36,000,000
Additions to electrical plant at Muscle Shoals.....	9,000,000
Transmission lines.....	40,000,000
 Total new construction...	 \$85,000,000
Total capital cost assigned to power.....	\$127,000,000

Take the first two items together, the existing Wilson Dam, with the hydro-electric properties and the steam power plant. They make up a total of \$42,000,000, charged by President Hoover to power; but all these costs have already been incurred by the government, and they cannot be avoided, if it does not go on with the power plan. They should, obviously, be excluded from the calculation, to test the financial soundness of the power operation.

With regard to the new construction, the cost of all the facilities that would be directly required by power, should, of course, be charged to power. But the situation is altogether different with regard to Cove Creek Dam, which, according to the President himself, should be built by the government in the interest of flood control. But of the aggregate cost of \$41,000,000, the President assigns only \$5,000,000 to flood control and improvement of navigation, as against \$36,000,000 for power. Since the dam would be required for the other purposes, the allocation to power is manifestly excessive. The only direct additional cost would be such hydro-electric plant and transmission lines which would not be needed if the dam were used exclusively for flood control. The allocation to power should probably not exceed \$25,000,000.

The final item in Mr. Hoover's capital figures is \$40,000,000 for the construction of transmission lines. This figure is wholly arbitrary. It appears to represent an aggregate construction of 3,500 miles of transmission lines, and contemplate extensive duplication of existing facilities; but no such result is implied by the bill.

While the Muscle Shoals Corporation would have the right to build transmission lines, it is not required to do so, and, presumably, would build them only as warranted on financial and public grounds, to connect generating plants with important purchasers of power.

Suppose we allow, generously, \$6,000,000 for transmission lines, \$25,000,000 for Cove Creek dam and its connections with Muscle Shoals, and \$9,000,000 for steam plant additions—then we have a total of \$40,000,000 direct additional costs due to power development, instead of President Hoover's \$127,000,000. At 4 per cent, the annual interest would be \$1,600,000, instead of \$5,080,000 charged to power by the President.

#### OTHER ANNUAL COSTS

Amortization is placed at \$1,890,000 per year, and is figured at about 1.5 per cent per annum upon the \$127,000,000. The charge should be based upon only \$40,000,000, and should be computed at 1 per cent. The rate of 1.5 per cent exceeds the reasonable requirement, and the usual allowance is 1 per cent upon capital cost. And, as a matter of correct accounting, amortization is a charge against income, and not to the cost of operation. But, disregarding strict accounting principles, and following common practice, the proper charge would be \$400,000 instead of \$1,890,000.

The operating and maintenance cost of the hydro-electric plant is placed at \$775,000. If this is to include depreciation, the figure does not appear greatly excessive, and the same may be said of the \$850,000 charged to operation and maintenance of the steam plant. But the \$550,000 for operation and maintenance of transmission lines has no justification; at most, the figure should not exceed \$100,000 a year for the limited transmission lines that would probably be included in the system.

#### SUMMARY OF COSTS

On the basis of our analysis, the aggregate direct costs due to power development would not exceed \$3,725,000 per year, as follows:

	Annual Cost
Interest, 4%, on capital of \$40,000,000.....	\$1,600,000
Amortization, 1% of capital.....	400,000
Operating expenses and maintenance.....	1,725,000
Total additional cost due to power.....	\$3,725,000

These figures, of course, are rough approximations, but they probably exceed substantially the additional cost imposed on the government by power development. This assumes that the

Cove Creek Dam is needed for flood control and improvement of navigation, and the President in his veto message subscribes to that view.

If we take the total annual cost of \$3,750,000 and divide by the President's estimate of 1,000,000,000 kilowatt hours of annual sales, we have a cost of only 3.75 mills per kilowatt hour, instead of 9 mills. This result would make power an economical undertaking even if the rest of Mr. Hoover's assumptions and computations were to be accepted at par.

#### SALES FIGURES INVALID

But not one of the principal steps in the President's calculations is free from invalid processes. Take the 1,000,000,000 kilowatt hours of sales involved in the 9 mills. These figures, together with the cost data, were taken from a memorandum prepared by Lytle Brown, Major-General, Chief of Engineers. (See *Congressional Record*, March 3, 1931, pp. 6942-6943.) General Brown estimates at 233,600 kilowatts the aggregate of primary or continuous power available from the entire Muscle Shoals and Cove Creek combination, and the peak available by pondage at 466,000 kilowatts.

To the maximum power available, 466,000 kilowatts, General Brown applies a load factor of 33 per cent. He thus derives an average of 155,000 kilowatts, which would have a total annual output of about 1,300,000,000 kilowatt hours. Then he makes a rough allowance for "transmission losses and reserve," and places the aggregate saleable power at 1,000,000,000 kilowatt hours. This figure seems to be intended to include all disposable power, including the use by the nitrate and fertilizer plants, as well as sales for other purposes.

Assuming the accuracy of the primary and maximum power available as stated by General Brown, then there is no justification for the final result of only 1,000,000,000 kilowatt hours of saleable power. The prime or continuous output would amount to about 2,000,000,000 kilowatt hours per year, and there is no reason why this entire amount should not be used or sold at a load factor not less than 90 per cent. In addition, there is the irregular or surplus power, which should aggregate at least another billion kilowatt hours per year, and it should be usable or saleable, but at a lower price, at a load factor not less than 80 per cent.

#### MUSCLE SHOALS COÖRDINATED WITH OTHER POWER RESOURCES

It must be assumed that the business would be handled on a reasonable basis, and that the entire output would be sold at the best price obtainable, or would be economically used for other purposes. This would apply not only to the primary but also to the secondary power.

Mr. Hoover states that, "the secondary power for a period of almost seven months in the year is not regarded as of any present commercial value." There is no justification for this view. All the secondary power, with a moderate leeway, could be sold to distributing companies on a coal-saving basis, at a less price than primary. The entire operation, as a matter of wise policy, would be coördinated on the broadest possible basis with the use of other available power in Alabama, Tennessee and other states within economical transmission distance. The power would be taken as made available by the flow of water, and placed upon the transmission lines of the companies or public agencies, for ultimate distribution. So far as the flow is regular or continuous, there would be a corresponding saving in steam plant investment and operation on the part of the distributors. In so far as output is irregular, there would have to be provided supplementary steam plant or specially regulated water power, but it would still be used as made available on a coal saving basis, and the steam plant or other sources of power would be reserved for other periods when needed.

The 33 per cent load factor taken by General Brown, may represent, as the President says, "the average load factor from experience in that region"; but that is not a valid test as to how Muscle Shoals would be or should be economically used. It is doubtless true that, of the aggregate plant capacity owned in the territory, the average load factor is only 33 per cent. This ratio, however, would not apply to the better hydro-electric plants, which doubtless are used up to their available output, including surplus as well as primary power. The steam plants serve to a large extent for standby purposes, and their operation is discontinued on a coal-saving basis whenever water power is available. The advantages of a ramifying system of transmission lines connecting hydro-electric with steam power, lies in the fact that the water power may be used completely, and that steam plant can be utilized to furnish the variation in the load requirements

above the amount of power furnished by the hydro-electric plants.

In computing the costs per kilowatt hour, there should be included the entire output—taken, perhaps, at 80 per cent load factor—and only the additional costs that would be incurred by the government directly because of the power. While no exact figures for such output and costs can be presented, it is difficult to see how the aggregate additional costs could exceed \$3,750,000 a year, and why the total disposable output should be less than 2,500,000,000 kilowatt hours. On this basis, the average over-all cost, including interest and amortization, would be 1.5 mills per kilowatt hour for all saleable power. This would be materially below alternative steam costs, so that the entire project would be justified on economic grounds.

It may be true that if the entire project as contemplated by the bill were to be constructed directly for power purposes, the undertaking would not be economically sound; the costs might readily exceed the revenues that could be obtained from the sale of power. Under such circumstances, the future development of steam power might be cheaper than the particular hydro-electric development. The actual project, however, must be considered, first from the standpoint that, to a large extent, costs have already been incurred and are, therefore, unavoidable, whatever may be done as to power; and, second, that the new construction involves joint undertakings needed for flood control and aid to navigation, as well as for power. The costs, therefore, must be considered for all the purposes, and cannot be validly assigned exclusively to power.

If Muscle Shoals, including the proposed construction, is considered from the standpoint of reality, there seems little doubt but what the project as a whole is justified, and that power can be economically developed. Whether the operation should be by government or by private agency, is another question that involves various political and public considerations on which there may be valid differences of opinion. For our part, however, we see no reason why there should not be government operation, in which we see distinct advantages, while, under the special circumstances, we cannot discover any particular advantage in private operation.

Public operation of this one project cannot possibly endanger the foundations of our economic system.

# NOTES AND COMMENT ON MUNICIPAL ACTIVITIES ABROAD

EDITED BY ROWLAND A. EGGER

**Municipal Passenger Transport in England.**—The current return of the ministry of transport relating to tramways and trackless trolley undertakings in 1920-30 presents some very interesting facts and conclusions in connection with passenger transport. Considered in connection with the recommendations of the Royal Commission on Transport, recently submitted, this return is one of the most significant local government documents of recent months.

In 1929-30 one hundred and sixty local authorities were owners of transit undertakings. During the year the corporations of Burton-upon-Trent, Chester, Colchester, Greenock, Gourock, Lancaster, Maidstone, Perth and Swindon suspended operations. During the same period, however, twelve private transit enterprises—several of which were of considerable financial importance—also suspended their activities. Clearly, if changing opinion on the forms of road transport—which admittedly is compelling the suspensions in many instances—is affecting the publicly-owned utilities, their private competitors are no better off.

## A DISSENT ON TROLLEY BUSES

In the February issue of the *REVIEW*, this department took occasion to comment upon the superiority of trolley buses over gasoline buses and street railways as evidenced by German experience. The editor of the *Municipal Journal*, in reviewing the ministry's return, comments upon this point in the following vein:

"The doctrine that the tramcar is obsolescent rests too much on questions of finance. Too little account is taken of carrying capacity, and next, of the circumstances arising from the conditions of modern traffic which impede the rapid passage of the tramcar and must impede the movement of buses still more as their numbers increase. The trackless trolley has many advantages; it is mobile, it can pass through thoroughfares where the heavier tramcar has an ominous and dangerous appearance because of its size; but when everything is said on its behalf, the conclusion stands that the trackless vehicle is only yet in its experimental stages. As an alternative to the tramcar, it is effective in

several places . . . but the extent to which it supersedes the tramway depends upon a number of factors . . . which have not entered into the general discussion.

The movement of population is toward the towns. To escape the heavy weight of land values and town wage rates, a generation ago industry began to move toward the verges of great cities and into rural districts. Now the town comprehends these uncertain areas and the means of passenger transport has had to be vastly extended. The length of line controlled by local authorities open for traffic, expressed in terms of single track, was about 3,200 miles. As only five local authorities had tramway lines and works in course of construction in 1929-30, it seems unlikely that they will be supplemented to any appreciable degree in the near future. This restriction of mileage, combined with the extension of the town, gives added importance to the carrying capacity of the vehicle. In public ownership 5,538 trams were competent to carry from 41 to 60 passengers, and 6,000 from 61 to 80 passengers; only 69 cars were licensed to carry 81 and over. Despite improvements in railless transportation, the tramcar is still chiefly instrumental for rapid movement when the demand for conveyance is at the maximum. Short of road and street improvements so extravagant as to be beyond the dreams of avarice, it would appear that the operation of the trackless vehicle is limited in its range almost as seriously as the scope of the tramcar by the need that it shall run on rails.

It appears to the writer, however, that this latter argument is legitimate only upon the assumption that existing thoroughfares in England have no relation whatever to traffic demands. This, of course, is untrue. It can well be assumed, in fact, that arterial ways, in view of their more recent construction, may actually better represent the chief lines of passenger movement than the older rail lines, in instances where they do not coincide. Furthermore, why is vehicle capacity of such overwhelming importance, in view of the mileage cost reductions which numbers of places, notably Ipswich, have been able to effect through change to trolley buses? It would apparently be possible to run two trolley buses in certain places for the mileage cost formerly attendant upon one tramcar. Trolley buses normally carry about 60 passen-

gers. The argument does not seem to fit the facts.

#### AND WHAT ABOUT IPSWICH?

In the same issue of the *Journal* the editor prints an article about Ipswich, containing a short résumé of their experience with trolley buses. The article would seem to indicate that in Ipswich, at least, trolley buses are in anything but an experimental stage. The following quotation illustrates this point:

Following the example of many British cities, the borough in 1899, bought out the Ipswich Tramway Company. . . . The new régime lasted about twenty years; then arose an excited controversy. The trams were to be abolished; were their successors to be motor buses or the trackless trolleys? In the result, electricity was victorious over petrol. The last tram ran in 1926. Today the corporation's transport department runs forty-one trolley vehicles over routes totaling fifteen miles. . . . As justification for the new policy certain figures are available. Working expenses were in 1922-23 over 16.38d. per mile, in 1930 they had fallen to 9.46d. Receipts from the trams in 1922-23 were £43,000 (about \$214,334); for the year ending March, 1930, the trolley buses earned £66,886, although fares are somewhat lower. An increase in population must have affected these receipts and is, of course, partly responsible for the fact that nearly six million more journeys are now taken. Nevertheless, taking journeys per head of the population, the figures show a rise from 68 to 141. . . . The net surplus, after meeting all operating and capital charges and taxes was slightly less than £1,826.

This is in many ways a singular showing for any transport project in its earlier years, and in time of continued depression.

#### CAN MUNICIPALITIES DO IT?

The most noteworthy section of the return, however, deals with public ownership. The Royal Commission and the ministry of transport are of the opinion that the public authorities seem to be doing quite well in this particular phase of municipal trading, not only from the standpoint of service rendered, equipment maintained, and facilities provided, but also from that of sound financial policy.

Many are the conclusions which emerge from a careful consideration of the pages of the return. One more conspicuous than the rest indicates that, in comparison to private enterprise, the conditions of labor provided by the public employer stands preëminent. Comment is pertinent on the financial results which the re-

turn discloses, though perhaps the final test of any transport service rests upon the convenience which it provides. By March 31, 1930, public authorities had put more than 82 millions of pounds into tramways, and had set aside for redemption or had redeemed more than 50 millions. The net receipts of all systems amounted to 572,000 pounds, admittedly a small surplus, but one which is illuminated by considering the systems in each of the six separate classes into which they are classified. From the least optimistic point of view, however, only three systems were unable to meet their working expenses; eight could not meet interest charges in full; nineteen, after meeting all interest charges were unable to make any retirement of their capital.

As the privately-owned enterprises fared worse, the crusade against public ownership must advance a proposal other than that administrative authorities are unfit to control remunerative services. Otherwise, the strong case for public ownership which this return makes cannot but have momentous effect in the future transport policies of English local authorities. It might be noted that the local transport systems paid in 1929-30 over one million pounds in taxes—excluding certain payments made under a special income tax schedule applicable to them. They paid also about 200,000 pounds for indemnification of killed and injured persons, and property damages. Considering the 2,600,000,000 passengers carried and the 256,000,000 car miles run, the municipal services seem relatively safely operated.—*The Municipal Journal*, January 30, 1931.



Prefects for German Cities?—Some months ago the municipal bureaucracy of the Deutsches Reich was electrified by certain exceedingly blunt statements of *Herrn Reichspräsidenten* von Hindenburg. His Excellency expressed dissatisfaction with numerous phenomena in the current local governmental situation. Tax administration under the new levies, large deficits in many cities, and uneconomical administration were among the conditions particularly criticized.<sup>1</sup> The consequence of these statements has been the unloosening of much speculation concerning the possibilities and nature of increased central control.

<sup>1</sup> These conditions were in part the cause, and in part the effect, of the emergency or provisional order (*Notverordnung*) of July 26, 1930, *Reichsgesetzesblatt*, p. 311 *et seq.*

*Ministerialdirektor* Dr. von Leyden presents, in the January 10 issue of the *Reichsverwaltungsblatt*, the ablest commentary on the *Staatskommissar*, the state agency of supervision, which has yet been made. While the local laws of Prussia make no mention of any state organ resembling the *Staatskommissar*, the Prussian ministry of the interior has considered the general statement of paragraph 139 of the *Städteordnung* as conferring upon it power adequate to establish such an agency without additional legislative sanction. This paragraph gives the state administration power to intervene in cases where the general state welfare (*gemeine Wohl*) is threatened.

The literature upon this point is not copious. It is interesting to note that few writers have denied the right of the state to intervene.<sup>1</sup> Generally speaking, however, the *Städteordnung* has not been considered to give authority for anything more than a state negative in cases of municipal malfeasance.<sup>2</sup> The substantive authority of the state administration in effecting positive regulation is therefore undefined. The Prussian ministry traditionally has considered its powers in relation to the municipalities as appropriately limited to the enforcement of the obligations imposed upon the localities by state legislative action and administrative orders in performing state functions devolved upon the local units.

Any radical change in this conception of the state's rôle in such matters will have important practical and legal consequences. In calling attention to these problems, Dr. von Leyden points out the necessity for defining what is meant by state supervision (*Staatsaufsicht*) and for deciding what the state supervisory organ (*Staatskommissar*) is supposed to do and how it is contemplated to do it.

State supervision involves state intervention in controlling matters of policy regarding municipal services and activities in any field which, in the opinion of the state authorities, demands the interposition of a superior authority. There

<sup>1</sup> Laforet, "Die Grenzen der Selbstverwaltung," *Zeitschrift für Selbstverwaltung*, Vol. 13, p. 319 *et seq.*, does attempt to define a sphere in which state interference would be unjustifiable, but his point of view is that of administrative practicability rather than legal theory.

<sup>2</sup> Stier-Somlo, last year in the *Reichsverwaltungsblatt und Preussisches Verwaltungsblatt*, p. 781 *et seq.*, said that this paragraph gave the state positive power in the case of delegated state functions, and only a veto in the case of local functions.

can be no doubt but that this impairs local autonomy in actual administration; whereas control previously has been exercised primarily through financial supervision, the ordering of the policies and details of administration directly by the state organ is possible under the *Kommissar* principle.

The *Staatskommissar* is an organ of the state administration, which, to the degree it deems essential will assume the function of administering local services in which it considers intervention necessary. Its legal power and authority in doing so is coincident with the powers of the local service organization; anything the municipality can do for itself, the *Kommissar* can do for it. The state agency is expected to forego continued action in the municipality's behalf, withdrawing with the cessation of the necessity for supervening local self-administration.

Conceived of in this fashion, what are the legal and practical consequences of this new state-local administrative liaison?

Legally, we may expect the following conditions to appear:

1. The law must be redefined to place the *Staatskommissar* in the legal position which the state occupied before its recognition of the principle of communal self-government.

2. The law must take cognizance that the state will act for the municipality, that state responsibility supersedes local responsibility, and that the acts of the state administration become the acts of the localities as far as wrongs inflicted and liabilities incurred are concerned.

3. Administrative supervision must be revised by the legislature so as to reconcile it with state action in behalf of the municipality. Where state supervision exists at present, a legal rearrangement must be made as to the present supervisory authority and the *Kommissar*, and the authority of the present organ revised.

The practical consequences which must follow are:

1. Through the substitution of the *Staatskommissar* for the local organ, in so far as the functions of the local organ are taken over, a necessity arises for defining the scope of action and authority remaining to the locality, and wherein its power is suspended.

2. As self-administration and its organs disappear for particular functions, arrangements must be made concerning the central supervision at present exercised by other than state *Kommissars*. What of the central supervision of

those phases of local administration not taken over by the *Kommissar*, yet whose intervention suspends the authority of agencies at present exercising supervisory powers?

As Dr. von Leyden indicates, Prussia is not unfamiliar with the *Kommissar*. For some time state authorities have performed important administrative duties in connection with the provincial *Landtag* elections. Recent proposals represent an extension of a familiar concept, rather than an entirely radical departure.

There is another possibility in the theory of central administrative control which seems generally to have been neglected in the apology for a system such as is herein proposed. There are obviously two kinds of state control. One deals with matters designed to help municipalities better perform their municipal functions. The other attempts to supervise matters of policy. In a constitutional democracy in which home rule is an accepted good the latter type is generally agreed as being altogether reprehensible. The other type is accepted as being in accord with latter day municipal theory. This being true, the measures proposed for Germany seem justifiable only as emergency expedients. Such is their essential character. And as many writers on this subject have noted, it seems indeed regrettable that the enviable traditions of *Selbstverwaltung* should be submerged in the necessity for meeting a practical fiscal problem which is, in fact, entirely removed from the competence, authority, or influence of the internal units whose constructed rôle, nevertheless, gives evidence of where the burden rests.—*Reichsverwaltungsblatt und Preussischesverwaltungsblatt*, January 10, 1930.



**The Calcutta Municipal Gazette.** The sixth anniversary number of the *Calcutta Municipal Gazette* represents in many respects a very signal contribution to the literature of local government. Its 116 pages are a veritable treasure house of information, current and historical, concerning the lesser known phases of Indian life and government. It were impossible even to list all of the worth while articles which Amal Home, the editor, presents. A few of these, however, should be of considerable interest to foreign students.

#### INDIAN CITIES LOOK AT THE SIMON REPORT

Indian students generally are inclined to find fault with the Simon report because of its sins of

omission. Vol. I of the *Evidence* devotes considerable attention to the development of local self-government in India, yet in the recommendations of the report all attention is concentrated on the allocation of powers and functions between the states. "This omission argues," says Professor Shah, "a fundamentally wrong conception about the place and importance of local self-government. . . . Because they seem to have overlooked the real place and vital functions of local bodies, they indicate a structure of government, a scheme of division of the resources and obligations of the governing bodies which, if adopted in its entirety, will leave us far from democracy or self-government in practice."

The criticism of the Simon report for its failure to take cognizance in its recommendations of a fundamental fact in Indian life—that, as Sir John Lawrence said over sixty-five years ago, "the municipalities and municipal feeling are the most abiding of Indian institutions"—is one that demands serious attention. Any proposal which aims at the erection of a structure of government not built around the habits and traditions of its subjects or citizens is likely to encounter difficulty in sustaining itself. At the same time, hygiene and education in India cannot come too soon, even if to the accompaniment of bayonets. Here, indeed, is a concrete administrative problem to test the colonial genius of any people.

#### THE PORT OF CALCUTTA

The Port Authority of Calcutta is organized along lines which, while unsatisfactory to most Indians, is interesting from the standpoint of its constitution. Calcutta is separated from the sea by a distance of 86 miles, and access to it is through a difficult, tortuous, and dangerous river 120 miles in length. Peculiarly enough, vessels are taken through this river not by Calcutta Port authorities, but by the Bengal Pilot Service, which is directly under the government of India. Port officials take charge of the ships just below Calcutta.

The administration of the port is, under the act organizing the Port Authority in 1870, vested in nineteen commissioners. The writer complains bitterly that Indians are under-represented in the commission. There are five Indians to fourteen non-Indians.—*The Calcutta Municipal Gazette, Sixth Anniversary Number*, 1930.

# GOVERNMENTAL RESEARCH ASSOCIATION NOTES

EDITED BY RUSSELL FORBES

*Secretary*

**Recent Reports of Research Agencies.**—The following reports have been received at the central library of the Association since February 1, 1930:

Boston Finance Commission of the City of Boston:

*Report of the Committee to Investigate the Methods of Administration in the Boston Schools*

California Taxpayers' Association:

*Report on University of California*

Chicago Bureau of Public Efficiency:

*The Bond Issues to be Voted upon February 24, 1931*

Detroit Bureau of Governmental Research:

*The Department of Public Welfare of Hamtramck, Michigan*

*Fiscal Relationships between City and School Authorities*

Atlantic City Survey Commission:

*A Budget Survey of Atlantic City Schools*

Bureau of Municipal Research of Philadelphia:

*Memorandum on Constitutional Amendment to Consolidate the City and County of Philadelphia*

The Stark County (Ohio) Tax League:

*A Few Facts about the Increase in Local Taxes*

Buffalo Municipal Research Bureau:

*Report of the Buffalo School Survey*

Institute for Government Research:

*Report on a Survey of the Organization and Administration of the State Government of North Carolina*

*Report on a Survey of the Organization and Administration of County Government in North Carolina*

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**1931 Convention.**—The executive committee has voted to hold the 1931 Meeting in Buffalo on November 9, 10, and 11. Harry H. Freeman, director of the Buffalo Bureau, will be the official host. Mark these dates in red on your calendar now.

**California Taxpayers' Association.**—The *Report on University of California*, prepared by the Research Department in co-operation with the University, recently published, places before taxpayers, public officials and University administrators a comparison of income and expenditures, the financial share of the support of the University borne by the state, and the growth of the University compared with all other colleges, public and private, in the state from 1918 to 1929, together with unit costs of instruction, and creates a fund of data that will be useful in predicting the future growth and needs of the University.

The University carries on not only instruction but also research and public service activities. Exclusive of the professional schools at San Francisco, the Lick observatories, and the Biological Institute, the University is spending over three and one-half million dollars annually on instructors' salaries, of which approximately one million is attributed to research. Unlike teaching, there is relatively little control exercised over the research activities of the faculty. It is suggested that the administration exercise sufficient control over research to guarantee an adequate return for this large expenditure, and that faculty members without marked ability in research be limited to teaching duties.

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**National Institute of Public Administration.**—The Chicago police survey, which was made by Bruce Smith of the National Institute of Public Administration and a special staff composed of L. S. Timmerman, Earle W. Garrett, Arnold Miles, Donald C. Stone and Kenneth A. Rouse, has just been published by the Chicago University Press. The study was made for the Citizens' Police Committee of Chicago. It is a book of 281 pages and is entitled *Chicago Police Problems*.

♦

**Philadelphia Bureau of Municipal Research.**—The Thomas Skelton Harrison Foundation has

decided to finance a study of the transit situation in Philadelphia and has asked the Philadelphia Bureau to do the work as its agent. The relationship between the city, which owns certain high speed lines, and the local transit company, which operates these lines, will be one of the first phases of the study to be undertaken.

The Philadelphia Bureau announces the addition to its professional staff of Dr. E. Orth Malott of Chicago, who was formerly on the faculty of Northwestern University. Dr. Malott's basic engineering training is supplemented by extensive training in public-utility economics and finance. He has made several public utility studies.



**Schenectady Bureau of Municipal Research.**—Henry Abbott Pulliam of West Orange, New Jersey, has been appointed manager director of the Bureau to succeed Albert H. Hall who resigned January 1, 1931. He assumed his duties at Schenectady March 1. Mr. Pulliam is a graduate of McLean College, Transylvania

University, and Carnegie Institute of Technology and holds the degrees of Bachelor of Arts and Master of Science. He has served as commissioner of public works and consulting engineer for the city of Paducah, Kentucky, and served two terms in the Kentucky legislature. He has acted as consulting engineer in municipal engineering problems and has made governmental surveys in England, France, Spain and elsewhere in Europe. Prior to this appointment at Schenectady, Mr. Pulliam has been engaged in economic research and financial statistical work for Thomas A. Edison at West Orange.

Harold I. Baumes, assistant secretary of the Bureau, resigned his position here effective March 15 to take the position of assistant director of the Municipal Reference Bureau of the League of Virginia Municipalities at Richmond, Virginia. Mr. Baumes has served three years on the staff of the Schenectady Bureau of Municipal Research and has engaged in practically all of the work undertaken by the Bureau since its inception.

#### STATEMENT OF THE OWNERSHIP, MANAGEMENT, CIRCULATION, ETC.

Required by the Act of Congress of August 24, 1912

Of NATIONAL MUNICIPAL REVIEW, published monthly at Concord, New Hampshire, for April 1, 1931.

STATE OF NEW YORK, COUNTY OF NEW YORK, SS.

Before me, a notary public, in and for the State and county aforesaid, personally appeared H. W. Dodds, who, having been duly sworn according to law, deposes and says that he is the editor of the NATIONAL MUNICIPAL REVIEW and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management, etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 411, Postal Laws and Regulations, to wit:

1. That the names and addresses of the publisher, editor, managing editor, and business managers are:  
Publisher, National Municipal League, 261 Broadway, New York, N. Y.  
Editor, H. W. Dodds, 261 Broadway, New York, N. Y.  
Managing Editor, None.  
Business Managers, None.
2. That the owner is: The National Municipal Review is published by The National Municipal League, a voluntary association, incorporated in 1923. The officers of the National Municipal League are: Richard S. Childs, President; Carl H. Pforzheimer, Treasurer; Russell Forbes, Secretary.
3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: None.
4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

Sworn to and subscribed before me this 23rd day of March, 1931.

[SEAL]

H. W. DODDS,  
*Editor.*

MARY DONOVAN,  
*Notary Public.*  
(My commission expires March 30, 1931.)

# NOTES AND EVENTS

EDITED BY H. W. DODDS

**California Commission on County Home Rule Makes Its Report.**—The California commission on county home rule, which was constituted by the legislature in 1929 and appointed by Governor Young in February, 1930, has presented its report to the governor and legislature. This report, of over two hundred and fifty pages, covers a study of the California County, and those of other states under the topics of history of the county, constitutional and statutory provisions, costs of county government, salaries of county officials, functions of the county and their relation to the state and municipalities, special districts erected within the counties, county-city consolidation, digest of county charters adopted or defeated in California, and proposals for optional charters for the counties on a new basis of population and area classification.

The summary of the recommendations follows:

I. The commission recommends that the provisions of Article XI of the Constitution of California be revised to include:

1. A short general statement of the broad enabling power of the legislature and of the counties.

2. The elimination of the word "uniform" for county government and powers in order that there may be a classification of counties for the purpose of adopting optional charters prepared by the legislature, as well as by boards of freeholders in each county.

3. A freer use of "municipal" powers.

4. Permission to operate utilities for county purposes in case the necessity arises.

II. The commission believes that the establishment of special districts should be curtailed but wherever created their government should be in the hands of the board of supervisors and not of district trustees except in the case of inter-county joint districts or those especially small in area. It strongly advises that all of the records and finances of these districts should be brought into the offices of the recorder, the auditor, and the treasurer.

III. There should be a further detailed study made of the possibility of county-city consolidations and of the creation of larger administrative areas by the consolidation of the areas of counties or the particular functions of several counties.

IV. The commission recommends that the legislature have drafted three forms of optional charters as outlined in this report, one of which may be adopted by the electorate of the county to avoid uniformity and meet the problems and needs of that particular county. These charters should provide:

1. Distinct separation between the legislative and administrative functions of the county.

2. Adequate financial provisions for a proper fiscal integration in taxation, fees, budgeting, accounting, purchasing, and reporting. The fiscal year should be changed to January 1.

3. A chief executive—either an elected county president or appointed controlled-executive—who would coördinate all the functions of the county and have large appointing powers.

4. The election of the assessor, auditor, district attorney, sheriff, and judges only, with an option for the election of the board of education.

5. The consolidation of the offices of assessor, tax and license collector, and treasurer.

6. For the operation of "municipal" functions and utilities.

7. A statement from all candidates for elective office setting forth their qualifications to hold the office for which they desire election.

8. Integration of all functions and work on highways and bridges, public health, welfare, and law enforcement.

9. For consolidation of functions or offices within the county, between counties, or between counties and cities.

V. The commission strongly urges the creation of an advisory county commission for the purpose of study and advice to county officials on personnel, salaries, taxation, budgeting, auditing, legal work, statistics, and reporting.

VI. The commission firmly believes that its

recommendations will lead the way for the people of the counties of the state to take stock of the county assets, to examine more intimately and scientifically its needs and abilities, to measure the costs of satisfying these needs, to weigh the benefits to be derived from the changes recommended and the freedom to exercise their wishes more directly, to discover the leaks and inefficiency in the present structure and operation of county government, to root out the parasites who prey on the revenues and credulity of the people, to support the men who lead to a more responsive form of government, and to provide sound business principles in all the operations which the county is called upon to perform.

California has led the nation in city and county home rule. It has introduced many innovations in governmental functions—state, county, and municipal. It has the capacity and the spirit to depart from the age-worn practices. The opportunity is presented here to take the next logical step in good government—to bring the county operations nearer to the needs and desires of the people.

EDWIN A. COTTRELL.

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**Three California Charters.**—San Francisco, Oakland, and San Diego vote during March and April on proposed freeholder charters. The proposal in San Francisco city and county is a vast improvement over the present patchwork charter. The people elect a mayor, who is the chief executive in fact as well as in name; a board of eleven supervisors; assessor; treasurer; district attorney; city attorney; sheriff; public defender; and judges; all subject to recall. The mayor appoints the controller; commissions for police, fire, parks, recreation, library, city planning, civil service, public utilities, and retirement; and a chief administrative officer. This chief administrator appoints the directors of finance, purchasing, real estate, electricity, health, welfare, coroner, horticulture, weights and measures, and a street traffic advisory board. This charter is essentially a "strong mayor" type. The "chief administrator" is not a manager in the usual understanding of that term. He is entirely restricted in his powers by the mayor and may be removed by a two-thirds vote of the supervisors, or by charges filed by the mayor and sustained by the supervisors after trial, or by a recall vote of the people. Provision is made for a consolidated plan of govern-

ment if the proposed merger with San Mateo county is completed.

Oakland is to vote on one of the most extreme mayor-council-manager plans yet proposed. The people will elect a mayor, a council of nine, an auditor, a board of education, and judges. The mayor appoints the city attorney, commissions for city planning, art and museum, recreation, library, parks, civil service, and port; the manager and assistant manager; and an advisory board of citizens, all subject to confirmation by the council. Three bureaus are created: revenue and finance under the controller; public health and safety under the assistant manager; and public works under the engineer. These three directors and the heads of all the departments under the three bureaus are appointed by the mayor with or without the recommendation of the manager and subject to the confirmation of the council. The mayor is to have a cabinet consisting of the manager, assistant manager, controller, engineer, and city attorney. The manager must have had eight years experience in a responsible administrative or business position and is to receive a salary of fifteen thousand dollars.

San Diego has rewritten the council-manager charter which was defeated in December, 1929. The people will elect a mayor and a council of six members, an attorney, a judge, and a board of education. The council will appoint the manager, assistant manager, clerk, auditor, and controller. The mayor will appoint commissions for the harbor, funds, civil service, and city planning. The manager will appoint the directors of public works, water, parks, safety, health, library, playgrounds, and recreation, and boards for health, social welfare, library, and playground and recreation.

All of the charters have advanced provisions on financial procedure, personnel, initiative, referendum and recall, and retirement.

Oakland adopted the council-manager plan as an amendment to its present charter at the November election. At the same time a board of freeholders was elected by a much smaller vote than was cast for the manager form. It remains to be seen which charter will become effective if the one now proposed should carry at the election. All of these charters are shorter, more modern and scientific, and great improvements over the existing charters. They should expedite the selection of a better personnel, should make for more efficient and economical government,

and be more responsive to public opinion than those now in use.

EDWIN A. COTTRELL.

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**North Carolina Widens State Control over Local Finance and Highways.**—Strict control by the state over county and municipal finances is now the order of the day in North Carolina. A local government commission was created by the general assembly of North Carolina by an act ratified in March.

The commission is given broad powers to regulate the finances of the political subdivisions of the state; issuance of bonds and notes by any of the subdivisions must be approved by the commission in Raleigh where the sale of all such bonds must take place. The act provides for the refunding of the present outstanding indebtedness of the subdivisions; it thus does away with the usual flood of local bills seeking to refund such indebtedness.

It is a most drastic centralization of power in the hands of the state government; however, the act was passed with very few dissenting votes. Creation of the commission is part of the reorganization program sponsored by Governor Gardner, who last fall had the Brookings Institution make a survey of government in North Carolina.

The local government commission consists of nine members, of whom the state auditor, state treasurer and the commissioner of revenue shall be members ex officio, and of whom six members are appointed by the governor to hold office during his pleasure. One of the appointed members shall be the full-time director of local government and shall serve as secretary of the commission. The act abolishes the county government advisory commission giving its powers and duties to the new commission, as well as certain powers and duties of the state sinking fund commission.

North Carolina probably became the first state in the Union where the entire county highway system has been taken over by the state government when the general assembly in March enacted legislation to this effect by an almost unanimous vote. At one stroke 45,000 miles of highways are added to the 9,000 miles already under supervision of the state highway commission.

The state takes over all prisoners from the counties and makes provision to work them on the roads, district prison camps being established. A gasoline tax of 6 cents per gallon is levied under

the act. All road machinery now owned by the counties or special road districts will be taken over by the state. General property taxes are no longer to be levied for highway purposes, thus reducing the burden of local taxation.

North Carolina in the past decade has developed an outstanding and splendid system of state highways. The new extension of state control was sponsored by Governor Gardner as a part of his program for more centralized and effective government in North Carolina. It was recommended by the report of the Brookings Institution, by Frank Page, former chairman of the North Carolina Highway Commission, and by other highway experts.

WILLIAM D. HARRIS.

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**County Managers.**—In the Irish Free State it is anticipated that the administration of the counties will be transferred to managers during the present year. Within the next few months there is to be introduced into the Free State Parliament a comprehensive bill to improve the existing system of local government, and one of its main features is likely to be the extension of the managerial system of all phases of Free State local government. Under this system the membership of county councils will be drastically reduced, as the membership of the Dublin Corporation was reduced from 80 to 35, while the area under its control was increased by a third. Since 1926 the duties of county councils have been much increased. Rural district councils have been abolished, and the entire administration of health, assistance and roads has been given over to the county councils. At present the county councils are responsible for a multiplicity of services. Probably they would be equal to the duties were undivided attention given to such affairs, but when the greater part of the time of a council meeting is devoted to the grievances of farmers, the discussion of political or religious resolutions, or personal recriminations, little or no time is left for county business. And now these overburdened and unwilling authorities have additional duties placed upon them by the new vocational and continued education schemes. Evidently, the Executive Council and the Ministry of Local Government are of the opinion that a manager for each county would do the work more effectively. Both are impressed by the success of the managerial system in Dublin and Cork.  
—*The Municipal Journal*, February 20, 1931.

**A Series of Municipal Exhibits.**—The New York Municipal Reference Library is conducting a series of exhibits on municipal subjects. Each one is planned to appeal to one or more of the various city departments. In November the exhibit was of interest to the city employees of the department of finance, and of taxes and assessments.

Here you could see a display of the recent plans advanced by various large cities for long-term financial programs. Detroit, Cincinnati and Schenectady are the cities doing most in this direction. A comparative table of the various state laws on taxation and methods of collection made an interesting study.

During December the exhibit was for the purpose of interesting the social worker. It referred to the department of public welfare, the department of correction, and to the board of child welfare. A display of some of the social workers' best bibliographical tools attracted most attention. The latest suggestions on unemployment—the great social emergency—were exhibited for comparative purposes.

Each month the Municipal Reference Library is issuing a special invitation to one or more departments to visit the Library and become familiar with its resources gathered together for the information of that particular department. Since there are forty and more city departments with greatly contrasting subjects as the objects of their daily work, the Library is attempting this series of exhibits to demonstrate to each department the efforts expended on its behalf.

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**Wyoming Organizes League of Municipalities.**—The League of Wyoming Municipalities was formed in the city of Cheyenne on January 2 and 3, with thirty-six delegates from cities and towns present. A constitution was adopted and the following officers were elected for the first year: E. W. Rowell of Casper, president; Cal Holliday of Cheyenne, vice president; G. R. McConnell of Laramie, executive secretary and treasurer;

trustees—George L. Smith of Sheridan, one-year term, W. Gwynn of Lovell, two-year term, William Rogers of Green River, three-year term.

The outstanding fact brought to the attention of the delegates was the present confusion and uncertainty of the rights and powers of municipalities under the present municipal code. It was the unanimous opinion of all delegates that the Wyoming municipal code should be studied with care for the next two years, at which time it is proposed to present to the legislature bills repealing or modifying the present municipal code, and that a movement be started to bring the ordinance of various towns into uniformity in so far as is possible, especially the traffic ordinances.

The only piece of legislation sponsored by the Municipal League at this session of the legislature is a bill to obtain a portion of the present gasoline tax for the use of the cities in maintaining the streets.

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**European Tour to Study Housing.**—The City Affairs Committee of New York is announcing a European housing study tour to be conducted in coöperation with the Garden Cities and Town Planning Association of England. It is being promoted purely as an educational experiment on a non-profit basis. The tour will be under the immediate leadership of a representative of the English association. The itinerary provides for departure from New York May 10 and arrival back on August 30. For further information address the City Affairs Committee, 112 East 19th Street, New York City.

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The twenty-sixth annual meeting of the International Association of Comptrollers and Accounting Officers will be held at Toronto on June 16, 17 and 18. B. Graham West, city comptroller of Atlanta, is president of the association and Carl H. Chatters, director of finance of Flint, Michigan, is secretary.